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# Daily Report

# East Europe

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*FBIS-EEU-94-210* *31 October 1994*

CONTENTS

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All material in this volume previously disseminated in electronic form.


**ALBANIA**

Democratic Alliance Calls For Referendum Boycott *[ALEANCA 25 Oct]* ..... 1
AD Chairman Criticizes Draft Constitution *[ALEANCA 25 Oct]* ..... 1
Cholera Scare Causes Halt in Seafood Exports *[KOHA JONE 27 Oct]* ..... 2
Germany Completes Removal of Toxic Pesticides *[AFP]* ..... 3

**BULGARIA**

President Zhelev Views Cabinet, Elections *[24 CHASA 24 Oct]* ..... 4
Defense Minister on Combat Readiness, Logistics *[BULGARSKA ARMIYA 24 Oct]* ..... 7
Army Head 'Pleased' With NATO-Related Talks *[Sofia Radio]* ..... 8
DPS Official Explains Party Views *[STANDART NEWS 25 Oct]* ..... 8
Trilateral Cooperation Council To Meet *[Sofia Radio]* ..... 9
Drain of Skilled Nuclear Plant Workers Noted *[DUMA 24 Oct]* ..... 9
Mass Privatization Director Reportedly Dismissed *[Sofia Radio]* ..... 9
BZNS Group Joins SDS on Elections *[Sofia Radio]* ..... 9

**CZECH REPUBLIC**

Vaclav Havel Interviewed by Hungarian TV *[Budapest TV]* ..... 10
Havel Address on Czechoslovak Anniversary *[Prague Radio]* ..... 11
Klaus on Relations With Germany, Skoda Strike *[DENNI TELEGRAF 21 Oct]* ..... 12

**SLOVAKIA**

Moravcik Outlines Priorities for New Cabinet *[NARODNA OBRODA 25 Oct]* ..... 14
Moravcik on 1995 Draft Budget, New Government *[Bratislava Radio]* ..... 15
HZDS Authorizes Meciar To Form New Government *[Bratislava Radio]* ..... 16
SDL Chairman Evasive About Split Within Party *[SLOVENSKA REPUBLIKA 26 Oct]* ..... 16
Speaks About Domestic Situation *[Bratislava Radio]* ..... 17
Carnogursky Stresses KDH Going Into Opposition *[Bratislava Radio]* ..... 17
Luptak's Anti-European Remarks in Brussels Noted *[SME 26 Oct]* ..... 18
Local Elections Electoral Commission Meets *[PRAVDA 25 Oct]* ..... 18

**HUNGARY**

Goncz Urges Minority Participation in Elections *[Budapest Radio]* ..... 19
Opposition Official on Government's 1st 100 Days *[UJ MAGYARORSZAG 27 Oct]* ..... 19
Finance Minister Bekesi on Economic Policy *[Budapest Radio]* ..... 19
Five Percent Drop in Real Wages Predicted *[FIGYELO 29 Sep]* ..... 21
Raising of Automobile Import Quotas Expected *[FIGYELO 29 Sep]* ..... 23
Increasing Role of Private Medical Practices *[BESZELO 6 Oct]* ..... 24

## POLAND

Olechowski on Verge of Withdrawing Resignation *[Paris LE FIGARO 31 Oct]* ..... 26
Suspends Resignation *[Warsaw TV]* ..... 26
To Stay If Accusations Lifted *[Warsaw Radio]* ..... 26
Olechowski Not To Run Against Walesa in Election *[PAP]* ..... 27
Olechowski To Take Part in 31 Oct EU Meeting *[PAP]* ..... 27
Pawlak Demands Full Report on 'Clean Hands' *[PAP]* ..... 27
Methodology in Investment Risk Map Explained *[GAZETA BANKOWA 3 Sep]* ..... 28
Regional Investment Map Updated: Poland Lags *[GAZETA BANKOWA 3 Sep]* ..... 30
Industry Investment Map, Competitiveness Rated *[GAZETA BANKOWA 3 Sep]* ..... 31
Poland 'A,' 'B' Division Intensifies *[GAZETA BANKOWA 3 Sep]* ..... 31

## ROMANIA

Butrus-Ghali Arrives; Welcomed by FM Melescanu *[Bucharest Radio]* ..... 32
Addresses Parliament *[Bucharest Radio]* ..... 32
Defense Minister on Hungarian Military Relations *[NEPSZABADSAG 26 Oct]* ..... 32
Ex-King Turns Down Timisoara Visit Invitation *[ROMANIA LIBERA 26 Oct]* ..... 33
PSM Advocates Alliance of Leftist Parties *[COTIDIANUL 26 Oct]* ..... 34
SI To Clarify Status of Social-Democratic Parties *[EVENIMENTUL ZILEI 26 Oct]* ..... 34
Parliament Votes To Criminalize Homosexuality *[ADEVARUL 26 Oct]* ..... 34

## BOSNIA-HERZEGOVINA

Karadzic Orders Serbs To Liberate Bihac *[AFP]* ..... 35
Further on Directive *[TANJUG]* ..... 35
Declares 'State of War' *[TANJUG]* ..... 35
Conscripts Mobilized *[TANJUG]* ..... 35
Vows To Liberate NW Bosnia *[TANJUG]* ..... 35
Karadzic: 'No Withdrawal' *[AFP]* ..... 36
No Territorial Concessions *[TANJUG]* ..... 36
Reportage on Bihac Front Combat Situation ..... 36
UN: Krajina Aiding Serbs *[AFP]* ..... 36
5th Corps, HVO Join Forces *[Sarajevo Radio]* ..... 37
SAM-2 Missiles Possibly Used *[AFP]* ..... 37
5th Corps Advance Continues *[Sarajevo Radio]* ..... 38
Serbs Preparing Counterattack *[AFP]* ..... 38
Intensive Muslim Attacks *[Sarajevo Radio]* ..... 39
'Chaos in Chetnik Ranks' *[Sarajevo Radio]* ..... 39
Serb 'Strongholds' Captured *[Sarajevo Radio]* ..... 39
Muslims Encircling Krupa *[TANJUG]* ..... 39
Krajina Serbs Shell Bihac Area *[Sarajevo Radio]* ..... 39
Reportage on Sarajevo, Mt Igman Combat Situation ..... 40
Serbs Use Heavy Artillery *[Sarajevo Radio]* ..... 40
UN on Igman Attacks *[AFP]* ..... 40
More on Muslim DMZ Attacks *[TANJUG]* ..... 40
UN Warning on Shelling *[AFP]* ..... 40
Serbs: Army Attacks 'Stopped' *[TANJUG]* ..... 41
Government Denies Shelling UN *[AFP]* ..... 41
Muslims Preparing New Offensive *[TANJUG]* ..... 41
Muslims Capture Area Near Igman *[Zagreb Radio]* ..... 42
Javorak Captured *[AFP]* ..... 42
Serbs Shell Sarajevo Suburb *[AFP]* ..... 42
Further on Shelling *[Sarajevo Radio]* ..... 43
Serbs Release 4 British Soldiers, Interpreter *[AFP]* ..... 43
Federation To Hold Constituent Assembly Session *[Zagreb Radio]* ..... 43
Croat Deputies Prepare *[Zagreb TV]* ..... 44
Croats Call For Arbitration *[TANJUG]* ..... 44
Illegal Arms Reportedly Arrive From Ukraine *[TANJUG]* ..... 44
Ship Expected in Ploce *[Sarajevo Radio]* ..... 45
Muslim Authorities Arrest 142 Croats in Bugojno *[TANJUG]* ..... 45

## CROATIA

Krajina Official on Economic Talks With Croatia *[TANJUG]* ..... 46
RSK's Mikelic Cited on Talks With Zagreb *[AFP]* ..... 46
Integration 'Not Negotiable' *[Sarajevo Radio]* ..... 46
Valentic, Silajdzic Return From Overseas Visit *[Zagreb Radio]* ..... 46
Granic on Issues for Discussion With Jovanovic *[Zagreb TV]* ..... 47
Granic Protests UNPROFOR Conduct in UNPA *[Zagreb Radio]* ..... 48
UNPROFOR 'Collaborating' With Izetbegovic *[Sarajevo Radio]* ..... 48
Susak, France's Leotard Discuss UNPROFOR *[Zagreb Radio]* ..... 49
Croatia Preparing Agreement With UNPROFOR *[Zagreb Radio]* ..... 49
Police Assume Control of Lipik Communications *[TANJUG]* ..... 49
Bobetko Addresses Class of General Staff School *[VJESNIK 7 Oct]* ..... 50
Seks Discusses Strengthening Role of Assembly *[FERAL TRIBUNE 10 Oct]* ..... 50

## THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

2d Round Elections Open in Face of Boycott *[AFP]* ..... 52
'Incidents' Mar Election *[TANJUG]* ..... 52
Opposition Stages Parallel Vote *[AFP]* ..... 52
Election Turnout 35 Percent *[Skopje Radio]* ..... 53
Coalition Gets 'About 60' Seats *[TANJUG]* ..... 53
NDP Leader: Albanians' Patience Coming to 'End' *[NOVA MAKEDONIJA 28 Oct]* ..... 53
PDP Promises To Act 'Within' System *[NOVA MAKEDONIJA 28 Oct]* ..... 53
Main Opposition Predicts Early Spring Elections *[TANJUG]* ..... 54

## SLOVENIA

Peterle: 'Wrong Game' Played With Italy *[Ljubljana Radio]* ..... 55
Government Rejects Draft Agreement With Italy *[TANJUG]* ..... 55
Drnovsek Sees Possibility of Italian Veto on EU *[Ljubljana Radio]* ..... 55
Decision on Aquileia Document Postponed *[Ljubljana Radio]* ..... 56
Chamber Refuses To Omit Border Hamlets From Law *[Ljubljana Radio]* ..... 56

## YUGOSLAVIA

### Federal

Jovanovic Comments on Serbian-Croatian Relations *[TANJUG]* ..... 57
FRY To Accept Only Citizens With Papers *[TANJUG]* ..... 57
War Crimes Committee Adds Evidence to Report *[TANJUG]* ..... 57
Bank Measures Help Stabilize Money Issue *[Belgrade TV]* ..... 58

### Serbia

Court Commutes Seselj's Jail Sentence *[TANJUG]* ..... 58
Serbs Face Trial for Killing Civilians *[TANJUG]* ..... 59
Djindjic: 'Anyone of Importance' Being Wiretapped *[BORBA 28 Oct]* ..... 59

### Kosovo

Rugova Calls For International Protection *[KOSOVA DAILY REPORT 28 Oct]* ..... 59
Rugova Urges Albanians To Approve Constitution *[Tirana TV]* ..... 60
DSS Leader Backs Serbian Resistance Movement *[BORBA 27 Oct]* ..... 60

## Democratic Alliance Calls For Referendum Boycott

*AU3010220694 Tirana ALEANCA in Albanian 25 Oct 94 p 3*

[Declaration issued by the Democratic Alliance in Tirana on 22 October: "Let Us Boycott the Unlawful Referendum on 6 November"]

[FBIS Translated Text] The national assembly of the Democratic Alliance [AD], meeting in Tirana on 22 October 1994, unanimously considers that President Berisha has misused the Albanian people's explicit desire to possess a constitution.

Considering that Articles 16, 16 [number as published], and 43 of the constitutional laws presently in force are being violated;

Considering that the legislature has been trampled on as if under the law of the jungle;

Considering that the "yea" or "nay" form of the referendum has deprived deputies, experts, and the population itself of the means of correcting a number of unacceptable articles in the draft constitution;

Considering that President Berisha's unlawful maneuvers and low trickery aim to establish his unrestricted personal power;

Considering that state radio and television have been placed entirely at the service of President Berisha and the Democratic Party, without giving AD and the new opposition parties the slightest opportunity to express themselves; and seeing that AD and the new opposition parties are not included in the electoral commissions and that no rigorous and impartial supervision of the voting has been guaranteed;

Considering that there is the probability of earlier vote-rigging being repeated on a massive scale;

And with the aim of protecting citizens' right to vote freely from being violated;

AD's national assembly has decided:

1. To boycott the unlawful referendum of 6 November, and;

2. To invite the electorate to declare the day of the referendum a day of political strike.

AD believes that a political strike is an effective form of protest against serious procedural violations in approving the constitution, against the president's extraordinary and unprecedented prerogatives, against the lack of independence of the judiciary and of local government, and against all the articles that conflict with the basic principles of a democratic parliamentary republic. This legitimate protest is, at the same time, the most honest, surest way of defending the rule of law, in order to send back the constitution to the parliament, where its contents will be discussed article by article.

November 6 will be the dividing line between legitimate and arbitrary rule. AD hopes that its electorate and the Albanian people will not allow a state of medieval law codes [kanune] to be established in Albania.

## AD Chairman Criticizes Draft Constitution

*AU3010220794 Tirana ALEANCA in Albanian 25 Oct 94 p 2*

[Article by Democratic Alliance chairman Neritan Ceka: "Albania Needs a State, Not a Dictator"]

[FBIS Translated Text] Analyzing the imposition of the dictatorship in 1945-1946, Kadare wrote that the Albanians shouldered their yoke while shouting and singing at demonstrations organized, diabolically, by the communists. The regime of the Democrats is trying to create that same atmosphere today, with the president and the Democratic Party [PD] chiefs meeting crowds of awe-struck peasants, presented by television as if dug out of the Albanian Workers Party archives. Stereotypes, hypocrisy, and folklore have replaced sobriety, at a moment when Albanians should be determining, through a constitution, to become a civil nation and to have a state.

The question is not whether Albanians want a constitution or not, because all the political parties have long demanded the approval of such a thing. The question is what sort of constitution Albania should have, and how that constitution should be approved. So far, Albanians have had a few booklets called constitutions, but these have never been brought together to create the means to establish a balance between societal classes and individual interests. Such a state can be built only on the basis of a constitution that relies on a consensus of the political forces that represent these interests, and not on the will of a single person in the manner of the constitutions of Stalin and Enver.

The constitution being put before the people for a simple yes or no in the referendum of 6 November is unlawful because it has never achieved even a consensus in the relevant commission legally appointed by the People's Assembly. It is also unlawful because it has not been discussed in the People's Assembly and approved by two thirds of its members, as occurs in all democratic countries and as laid down in the package of constitutional laws. The main culprit for this serious violation is Berisha, who by denying the parliament one of its fundamental rights has also violated the legitimacy of his own office as president elected by this parliament. Bypassing the parliament is not Berisha's only violation. The way in which he is conducting the electoral campaign—by asking simple, uninformed people to declare how they will vote—is a violation of the sacred right to a free and secret vote.

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Berisha's constitution is a rag bag of democratic articles vitiated by the absence of a division of the legislative, executive, and judicial powers. Placing these powers under the president's control has the same aim as the leading role of the Albanian Workers Party in the Enverist constitution. Such control secures Berisha's personal power against political pluralism and democracy in Albania. In this way, Berisha realizes his political creed as announced at the meeting of intellectuals with Ramiz Alia in August 1990: "Pluralism of opinion—yes; political pluralism—no!"

The 6 November constitution aims to secure Berisha's personal power against the opposition, giving the president power over parliament and over other bodies to which members of the opposition might be elected. It ensures him such powers even if his party loses the elections, of course casting him in the role of troublemaker. The constitution ensures the president such a role even against his own party—leaving him in the party's highest leadership, to appoint and manipulate all top state officials, harass his opponents through the security service and the procurators, and possess weapons.

The constitution of 6 November definitively destroys the power of the judiciary, reducing it to a secretariat of the presidency. This is no doubt the most criminal act of this constitution, whose aim is to turn this power into a weapon against the opposition and into a veil to conceal the corruption of those in power. It is this judiciary, composed of and led by party hacks, that is perpetrating the gravest injustices against ordinary people, concealing the Arsidi and Zhulali scandals, and operating on the basis of directives and bribes.

The 6 November constitution is a constitution of wiles, a coup d'etat supported by incompetent pencil-pushers and corrupted or naive wielders of power. It aims to establish Eastern autocracy instead of Western democracy in Albania, party dualism instead of political pluralism, corruption instead of justice, judgment at whim instead of justice, and conflict and arbitrariness instead of dialogue. This constitution does not guarantee a modern state of all its free citizens, but a large organization of parties, in which those left out will be just as unemployed as they are today, just as humiliated before the power of the state, and just as isolated from Europe. It thus relies on the same mentality as ideas of class struggle or ethnic cleansing.

The 6 November constitution is a pathological syndrome of personal power, a challenge issued by this regime to Albanians' civil conscience and courage. It is therefore also a test for Albanians, to show whether or not they are able to create a democratic state, whether or not they are determined to respect and defend the institutions they have elected, and whether or not they wish to be integrated into European society or be ultimately relegated to the status of incorrigible primitives.

These are the reasons why the Democratic Alliance [AD] is calling for a boycott of the 6 November referendum—to which Berisha and not the law has summoned you. AD issues a call to the entire electorate not to vote and not to soil themselves with the anticonstitutional mud that those wielding power have stirred up. This will make it possible for the referendum to fail and for the constitution to be returned to parliament. A boycott is not a denial of the need for a constitution, but legitimates a constitution and the democratically elected authorities. A boycott is an expression of civic courage against the mockery of the state, which is trying to force us to acquiesce without conviction and without discussing every article of the constitution. Voters who experienced the dictatorship will find the strength to prevent any repetition of the totalitarian drama of the past, while young people will understand that this is a constitution of people who lived under such an era. Albania needs a democratic and stable state, not a dictator!

## Cholera Scare Causes Halt in Seafood Exports

*AU3010220594 Lezhe KOHA JONE in Albanian 27 Oct 94 p 7*

[Article by Albert Nikolla: "Loss of About $40,000 Forecast"]

[FBIS Translated Text] The serious losses in Albania's fishing sector are the main preoccupation of experts at the Fishing Directorate of the Agriculture and Food Ministry. The reason is well known. Cholera has attacked not only people but this sector of the economy, which had begun to savor a little freedom as a result of the beginning of privatization. However, after the cholera epidemic struck, Italy—and subsequently the entire European Union [EU]—imposed a temporary halt on the import of fish and other seafood from Albania until 31 October 1994.

Right now, virtually the entire fishing sector is paralyzed, and only a few branches are operating, for the domestic market. Work has stopped at Sarande, Vlore, Durres, and Shengjin, but the lack of fishing in the lagoons of Karavasta, Narte, Patok, and Butrint is also leading to serious losses, because the halt of exports to Italy coincides with the best season for fishing in these lagoons. "We hope the Italian and European markets will reopen to our seafood," experts say. However, the two cases of cholera in Bari, Italy, seem to be dimming the Albanian experts' hopes.

Albania exports a wide variety of seafood to Italy. Last year saw an annual production of about 30,000 quintals of seafood, including 17,020 quintals of fish, 350 quintals of mussels, and 800 quintals of shellfish.

A total of 30,000-35,000 quintals of seafood were anticipated for this year, but the current situation and the possible extension of the preventive measures taken by Italy and the EU could lead to this sector's incurring a loss of $35,000-40,000.

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Our final question for the experts of the Fishing Directorate was whether the population's consumption of fish represented a danger as regards the further spread of the cholera epidemic.

"Fish is sold in all Albania's main towns," they said, "including areas where there have been no cases of cholera. So far none of those who have eaten fish have had any symptoms or complaints."

## Germany Completes Removal of Toxic Pesticides

*AU2810220194 Paris AFP in English 2151 GMT 28 Oct 94*

[FBIS Transcribed Text] Tirana, Oct 28 (AFP)—Germany has completed the removal of 460 tonnes of toxic pesticides shipped to Albania by a German firm, the German ambassador here said Friday [28 October], after an outcry over the health hazard posed by the chemicals.

The pesticides were orginally delivered as humanitarian aid in 1991 and early 1992 by a Hanover-based firm, but were already past their 1988 use-by date when they arrived and their condition rapidly deteriorated.

Germany had originally refused to accept responsibility for removing the pesticides—which included cancer-causing chemicals, mercury, phosphorous, organic chlorine and dioxin—but backed down under pressure from the Albanian government and the Greenpeace environmental organisation.

German ambassador to Tirana, Klaus Voellers, put the cost of the removal operation—which started in September—at $6 million.

"We were not required by law to repatriate the pesticides, but we did it for humanitarian reasons," Voellers said.

German experts placed the toxic chemicals in containers and transported them by truck to the Albanian port of Durres before shipping the containers to Hamburg, in northern Germany, chief expert Thomas Hauthal said.

Bonn is sensitive to claims that German firms have been dumping toxic waste in poor East European and Asian states to by-pass strict German laws which involve costly high-tech methods of waste disposal.

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## President Zhelev Views Cabinet, Elections

*AU2810152994 Sofia 24 CHASA in Bulgarian 24 Oct 94 pp 9, 10*

[Interview with President Zhelyu Zhelev by Venelina Gocheva; place and date not given: "Zhelyu Zhelev: Caretaker Cabinet Is Not Limited Liability Association"]

[FBIS Translated Text] [Gocheva] Mr. President, were you compelled to appoint Reneta Indzhova prime minister of the caretaker cabinet after Mariyana Todorova declined the post, or was Indzhova among the candidates for this position from the start?

[Zhelev] Reneta Indzhova is very suitable for prime minister. I had the possibility of observing her at work in the actual privatization process, where she encountered incredible difficulties and obstacles and yet maintained the willpower and courage to persist and struggle rather than resign and leave the Privatization Agency. It is very easy to resign and run away from responsibility, presenting it as a sublime moral gesture whereas it is actually an act of fear and cowardice.

Mrs. Indzhova understood the decisive role of privatization in Bulgaria and therefore I decided to ask her to be caretaker prime minister.

[Gocheva] "Has there been any real privatization?!," Mrs. Indzhova asked minutes after she left your office as caretaker prime minister. I would like to understand whether you too are convinced that real privatization will start now.

[Zhelev] Mrs. Indzhova exaggerated a bit. There was real privatization. It is true, however, that Bulgaria lags much behind in this respect.

The parliament's main shortcoming was that it could not provide our country with a really effective executive power capable of conducting the reforms. We do have laws. The problem was that there was no one to implement them. We are behind in returning the land to the owners. Only 8 to 10 percent of the targets have been privatized in Bulgaria, whereas in Poland this is 50 percent, in the Czech Republic 65 percent, in Hungary 50 percent, and in Slovakia 35 percent.

Privatization in Russia, which began the democratization processes two years after Bulgaria, is already approaching 50 percent. Naturally, what privatization methods are used there and what the final result will be is a different issue.

Now we cannot afford to waste a single day and we must make up for our delay. The caretaker cabinet must utilize its time for privatization, along with implementing its other tasks.

[Gocheva] How did you select the members of the caretaker cabinet?

[Zhelev] I wanted honest people with integrity who are not linked to any group. I wanted people who are ready to take risks and suffer the consequences, which are inevitable. You know that a caretaker cabinet will exist for about three months, because in the two-month period until the elections time will be needed to establish the National Assembly, which for its part will try to amend the regulations that govern the way it functions. The haggling over the new cabinet will begin afterwards.

[Gocheva] Did you take any politicians into consideration, for your list?

[Zhelev] No. I did not consult any political force about the ministers. According to the Constitution I am not obliged to do so, and, from my experience I knew that if there were such consultations a cabinet that did not resemble anything I had in mind would emerge.

[Gocheva] Did you receive any party advice?

[Zhelev] I received vague suggestions that the cabinet must be balanced, and so forth. I did not select the cabinet members according to political colors.

[Gocheva] Why, after the presidency announced that none of the members of your personal team would be appointed, did you nevertheless appoint Ivaylo Trifonov deputy prime minister?

[Zhelev] Please note that he is the only person from the presidency who is a member of the caretaker cabinet. He has a very specific role—liaison between the cabinet, the political forces, and the president—because he maintains permanent contact with them during election campaigns.

[Gocheva] Nevertheless, recently Trifonov was not exactly at the center of events. As chief of the president's office since 1990, he has always been in your shadow.

[Zhelev] Ivaylo Trifonov is a person who has broad relations with political circles, despite the fact that those relations have never been publicized. He is capable of maintaining contacts, especially when they are aimed at specific and precise goals, and I think that he can do an excellent job in this sphere. A caretaker deputy prime minister does not depend on the politicians. He depends only on the president and the prime minister, and must exercise his constitutional and legal prerogatives.

[Gocheva] He will actually be the second man in the government, because he will control the Ministry of Internal Affairs, the Defense Ministry, the Foreign Ministry, and the spheres of communications and construction. Isn't this too great a concentration of power in the hands of the president's man?

[Zhelev] This is not usurpation of power. He will coordinate the work of those department—something very important in preparing and conducting the elections. Each of these ministries has a direct task and specific duties in conducting the elections. The Ministry of Defense and Ministry of Internal Affairs are in charge of

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internal order and security. The EGN [expansion unknown] is in the Ministry of Territorial Organization and Construction. I do not have to explain the role of communications. The entire activity is related to the elections.

[Gocheva] Mr. Zhelev, do you really believe that this cabinet will be able to cope with crime in a few months?

[Zhelev] Many people do not want to understand, or think that there is only a formal link between the situation in our country and the preparation and conduct of fair elections. The enormous crime rate did not exist during the previous elections. We also did not have this social, political, and economic crisis, which inevitably intensifies tension. "To cope" does not mean "to eradicate." This is impossible—crime has deep roots. However, forms of crime that threaten social and civic peace and internal order in our country, must be halted if elections are to take place in a normal situation. There is no other way.

[Gocheva] What does it mean to cast a shadow of doubt over the elections?

[Zhelev] It suffices for a series of organized incidents to be revealed. Several political murders could be commissioned. There are gangs and bandits who are prepared to commit them.

[Gocheva] .... If someone is prepared to pay for this....

[Zhelev] .... If it becomes apparent that big money is behind whatever election incident is in question, a question mark over the conduct of really honest and democratic elections will appear. Then every political force could say: "The government could not ensure normal election conditions. We will not recognize the election results."

Imagine a column of Union of Democratic Forces [SDS], Democratic Alternative for the Republic [DAR], or Bulgarian National Agrarian Union [BZNS] cars heading toward Pazardzhik, for example, to hold a rally. This is only a hypothetical example. Bandits, commissioned by someone, attack the participants with sticks and smash up property and bust heads. The rally is disrupted. The press has a field day.

Such incidents could happen in many places. Someone could call and say that there is a bomb in the hall where a rally is taking place. Thus, it is not at all easy or safe to organize elections in such an atmosphere. Struggling against those forms of crime on the part of the government is an absolute prerequisite for conducting honest and democratic elections.

[Gocheva] How should the government do this?

[Zhelev] In various ways. The weapons people have must be collected. The protection companies that violate the law must be dissolved. Then, groups of bandits active along the roads and border checkpoints must be neutralized. The police and the security services know those things better than I.

[Gocheva] Nevertheless, a caretaker cabinet must prepare the elections, rather than chase criminals. Is this not so?

[Zhelev] Certain circles deliberately try to suggest constantly that this caretaker cabinet is a technical entity, which should only prepare the elections and nothing else.

This is a full-fledged constitutional government of the Republic of Bulgaria, one whose mandate has been limited by the Constitution itself. It has all the responsibilities of a parliamentary government. It is totally responsible for governing the country—from assuming power to handing over the keys to the future ministers elected by parliament.

Every attempt to present things as formal development is very dangerous. In most cases such claims pursue corrupt goals. Certain politicians fear that a caretaker cabinet could demonstrate how the country is to be governed under the existing conditions.

[Gocheva] Mr. Zhelev, let us assume that a series of political murders and attempts really takes place on the eve of the elections. What will happen then? Will the mandate of the caretaker cabinet be prolonged, or will there be a presidential dictatorship?

[Zhelev] I am sure this will not happen. The elections will take place in a calm and peaceful atmosphere.

I do not believe that any prudent—all right, not so prudent—politician believes in the dictatorship tale. How do you think it is possible to establish a presidential dictatorship after two or three months? How is it possible to effect this?

A dictatorship cannot be established by a caretaker cabinet in charge of preparing the elections. The functions of such a cabinet and the length of its existence are vested in the Constitution. Dictatorship is a result of chaos, anarchy, lack of faith, lack of government, and extreme desperation among the population. When the people cease to believe any institution, the prestige of the state institutions declines, because they cannot protect the citizens. The same applies to the prestige of the political forces and the politicians.

This is the ideal situation in which a charlatan could appear and say: "I will save you. Look what those dirty politicians did to you! They do not give a damn!" This is the danger. A dictatorship is not established by someone who likes one-man rule or a dictatorial regime. It is created by a situation in which a society finds itself. Our society is very near to such a situation. This is where the great danger lies. All those who speak of this danger, and address their concerns to the president or the caretaker cabinet are hypocrites and political provocateurs.

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[Gocheva] Who could now send the tanks into the streets? One month ago you implied that politicians tried to manipulate the Army, and you fired the chief of the General Staff of the Army, General Lyuben Petrov.

[Zhelev] I do not think that such a danger exists. Everything that had to be done to eliminate such possibilities and aspirations has been done. We could have two synods, two chief mufti authorities, or even several communist parties. We cannot, however, have two Armies. If this happens, a civil war is the result.

In every place where a civil war erupted in our postcommunist world, it was the result of splitting the Army. In Georgia Gamsakhurdiya was stupid enough to allow a confrontation between the guards and the regular troops, which supported the parliament. The civil war started immediately.

More or less the same thing happened in Tajikistan.

Russia was on the razor's edge last fall, when demonstrators supporting the parliament tried to conquer Ostankino and recruit several Moscow divisions, ostensibly for the defense of the parliament. It was thanks only to Yeltsin's energetic actions—which were not of the most democratic nature—and the support of the world public that he enjoyed, that civil war was avoided.

Thus, everything is possible except manipulations with the Army! Therefore, as long as I am president I will not allow any military figure, officer, or commander, to be manipulated by any political force.

[Gocheva] Did you think the parliament you dissolved could elect another prime minister?

[Zhelev] If you don't mind, allow me to recall that I was the author of the idea of restoring the old, democratic majority in parliament, the majority of the people who won the last elections. I had this idea more than a year ago. Unfortunately, those forces were not up to par with the level of our national interests. They chose to put their own party, group, faction, and personal ambitions and interests instead of the national ones, and wasted their chance. Now, early elections are the only chance.

[Gocheva] Are the voters interested in elections?

[Zhelev] To judge on the basis of the sociological polls, the prevailing mood points more and more toward holding early elections. This is based on the hope that the next parliament will really function and change things in Bulgaria more rapidly.

The people were bitterly disappointed in the previous National Assembly, because it proved to be an irresponsible one. Up to its final hours it did not find time to amend the election bill. I mean elementary technical amendments, which now will be a matter left to the interpretation of the Central Electoral Commission. This was not supposed to be one of its tasks. The old law, on the basis of which the elections will take place, speaks of "provisional administrations." Such organs do not exist. It also points out that each deputy is allocated 30,000 leva. What can you buy today with this kind of money? Such things could be amended within several hours, providing good will existed. Instead, up to the last minute the deputies preferred to conduct election campaigns from the rostrum of the National Assembly.

[Gocheva] Mr. Zhelev, the political forces relinquished their quotas in the Central Electoral Commission and left everything up to you. Could the membership of this commission be the next political scandal in our country?

[Zhelev] The election bill does not envisage any quotas. We tried to form a more or less proportional commission that would reflect the presence of the relevant political forces in the institutions, the political life, and the society as a whole.

The Central Electoral Commission has an important job in the initial period when the color of the ballot is determined. Unfortunately, the colors were preserved, and in this sphere there was a certain importance to party representation. After that, the functions are technical, related to mathematical calculations, which are conducted by a computer, rather than to voting.

[Gocheva] In other words, you are positive that you will not be attacked after the elections because of the membership of the Central Electoral Commission?

[Zhelev] I am doing everything possible to turn the Central Electoral Commission into an objective and serious body that will be be accepted by all. After elections those who lose are usually dissatisfied. Their dissatisfaction depends not on the commission but on the election results.

[Gocheva] Several days ago a members of the Rights and Freedoms Movement [DPS] said the DPS will seek contacts with other political forces in an attempt to postpone the elections until spring.

[Zhelev] I can by no means postpone the elections, unless I violate the Constitution. I will never do this. I think that if goodwill exists, the elections could certainly take place on 18 December.

[Gocheva] Won't the election results be questioned if the elections take place on the basis of the old law?

[Zhelev] There are always people who will question anything. The obsolete formulations of the law could also be used to question the election results. However, such claims cannot affect the essence of the law. If there are nevertheless protests based on the law, they will only reflect transparent intentions to promote a selfish interest.

[Gocheva] Is this not the most unsuitable moment for the SDS to hold elections? After all, you became president because the SDS proposed you.

[Zhelev] I do not decide whether elections take place. I only set a date for them. Indeed, there was a general

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desire to hold new elections, especially on the part of the SDS, which had been demanding elections for more than two years.

[Gocheva] Didn't the SDS become a uniform party after ousting Mr. Savov?

[Zhelev] Such processes—ousters, splitting, and so forth—have always taken place in the SDS, after the first elections. The SDS continues to be a coalition. The creation of a single uniform party is not a simple undertaking, and I think that if they try to directly turn the SDS into such a party, this will immediately break up the coalition.

[Gocheva] Would you head a new political force?

[Zhelev] I do not have the constitutional right to do this. I can be an ideologist or inspirer, as they used to define this a long time ago, but I cannot be a leader. I am interested in liberal groups, which regrettably, develop very slowly. I think that a powerful liberal group must gradually be formed in Bulgaria. It will be responsible for the transition we are undertaking—a rightist-centrist transition accompanied by the obligatory preservation of the social characteristics.

[Gocheva] We have so many liberals—couldn't you select one of their groups?

[Zhelev] The question is how liberal are all those who pretend to be liberals.

[Gocheva] Do you believe the forecasts that the Bulgarian Socialist Party [BSP] will win the elections?

[Zhelev] It is difficult to commit oneself to a forecast. We saw at the last elections how all the polls could prove wrong.

[Gocheva] Nevertheless, it is not difficult to guess. After all, the left is winning everywhere in Eastern Europe.

[Zhelev] What do you mean by "the left is winning?" The people want security because it is in this area that they lost most after 1990. This is the reason for a certain nostalgia for the past—because, despite the poverty, there was a certain degree of security.

[Gocheva] What can the Bulgarian people expect if the same National Assembly materializes in January?

[Zhelev] I hope that it is impossible to reproduce the same parliament. Bulgaria needs an active and functioning parliament that can form a strong government and head rapidly toward adopting the economic laws and laws related to our national security that are essential.

[Gocheva] It should also protect private business. Do you personally support this business?

[Zhelev] This a rhetorical question. Of course I support all forms of private business. Private business is now the most dynamic factor in our society. This is where the initiative, energy, and drive are. This is where risks are taken. We must place our hopes for the future in private business.

I am not concerned with the fact that economic groups could have lobbies in the next parliament. This is normal throughout the world and it is a more open way of conducting affairs. Thus we know that, let us say Ivan, protects the farmers while Dragan protects the major businessmen, and so forth. They protect those interests and promote them because they think that those interests are important not only for the groups but also for the country.

It would be a positive development if our economic groups became more open in their activity.

Private business, especially small and medium size entrepreneurs, must be given greater freedom.

## Defense Minister on Combat Readiness, Logistics

*AU2810152894 Sofia BULGARSKA ARMIYA in Bulgarian 24 Oct 94 p 1*

[Interview with Defense Minister Boyko Noev by Colonel Konstantin Lichev; place and date not given: "I Do Not Believe an Ideal Army Can Exist Anywhere in the World"]

[FBIS Translated Excerpt] [Passage omitted] [Lichev] Would you be prepared to give your own assessment of the Bulgarian Army's combat capability today?

[Noev] I cannot make an objective assessment of the Bulgarian Army's combat readiness and capabilities. The General Staff provides me with this assessment. They are directly responsible for the combat training and administration of the troops. I have not heard a single military commander say that our army is not ready to repel a possible aggressor. What I saw at the Ravnets Air Base and the air defense units that I visited reconfirmed my conviction that, regardless of the exceptionally difficult conditions in which the troops and air force personnel are placed, they are determined to do their duty. Thank God the combat equipment is of a standard that enables them to do this.

[Lichev] Will our country's closer association with the Western democracies and our participation in the Partnership for Peace initiative bring the time closer when Bulgaria will become a NATO member?

[Noev] Yes, these steps are speeding up our fuller integration into the Euro-Atlantic and European structures. Undoubtedly, however, certain things could be carried out more quickly and effectively. Nevertheless, Bulgaria is advancing confidently toward what we call the European family. I very much hope that we will become, and remain, members of this family, because Bulgaria belongs to Europe. [passage omitted]

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[Lichev] What specific steps have you taken to solve the Air Force's problems regarding shortages of kerosene and spare parts?

[Noev] It was my task to continue the work on these problems that undoubtedly started under my predecessor. During the few days since taking up my post, I have made a joint review with Defense Ministry and General Staff authorities to establish why decisions are being delayed on many issues, including supplies of fuel and spare parts to the Air Force. From my meetings with the chief of the General Staff, financial experts, and commanders, I am left with the conviction that things will be sorted out. As I said at my meeting with Air Force personnel, I expect the kerosene problem to be solved in principle in the very near future. A number of schemes and alternatives have been worked out with this end in mind. We will also supply the necessary spare parts. At my meetings with certain ambassadors this week I said that the problem of spare parts for the Bulgarian Army, especially our Air Force, is already a political issue.

[Lichev] Did Russian Ambassador Avdeyev commit himself to any time scale?

[Noev] I did not discuss specific dates with Ambassador Avdeyev, but explained to him our situation in all its complexity.

## Army Head 'Pleased' With NATO-Related Talks

*AU2810135694 Sofia Khorizont Radio Network in Bulgarian 1000 GMT 28 Oct 94*

[FBIS Translated Excerpt] Issues related to military cooperation and Bulgaria's participation in the Partnership for Peace program have been discussed during the official visit to Bulgaria of Admiral Smith, NATO Allied Commander, Southern Europe.

On 28 October, at the end of the visit, Colonel General Tsvetan Totomirov, chief of the Bulgarian Army General Staff, and Admiral Smith gave a news conference.

[Begin Totomirov recording] I am pleased with the results we have achieved during the talks. Admiral Smith is a professional, a soldier who has passed through the entire hierarchy of the military service. This allowed us to reach very good results. [end recording] [passage omitted]

## DPS Official Explains Party Views

*AU3010205994 Sofia STANDART NEWS in Bulgarian 25 Oct 94 p 23*

[Interview with Ahmed Dogan, leader of the Rights and Freedoms Movement, by Ivan Garelov; place and date not given: "DPS Should Not Have More Than 30 Deputies"]

[FBIS Translated Excerpt] [Passage omitted] [Garelov] Do you expect the DPS [Rights and Freedoms Movement] to overcome the 4-percent hurdle in the elections?

[Dogan] I have no doubt whatsoever that it will. However, a party like ours should not cross a certain threshold as regards its representation in parliament; it is extremely important that it should not have more than 30 deputies. Our party is a necessary yardstick for a democratic society that has already set off along a certain path and provides guarantees for its people. In our party lists we even followed appropriate principles that will serve to guard against any excessive growth of our electorate. I would be very glad if this turns out to be a first step toward forming a coalition with other political forces, if we establish ourselves as a party whose standing is equal to the others', and not find ourselves in a special situation that makes people suspect that at any moment the DPS may kindle a fire that burns down the family home.

[Garelov] What is your comment on the suspicions expressed in both Bulgaria and Greece that you influence our internal and foreign policy as an agent of Turkey?

[Dogan] I am indeed aware of comments—mainly from our neighbor, Greece—to the effect that every one of our actions within Bulgaria is to Turkey's benefit. I am acquainted with almost all the Turkish politicians, and when issues are raised concerning defending the security of the Balkans and guaranteeing the sovereignty of the two countries, I have always strongly defended our nation's interests, which in fact made a good impression on the Turkish politicians.

In Bulgaria at the moment, no policy can be pursued in the interest of the Republic of Turkey, and even if it were to be, that could not last for long....

[Garelov] In your mind, does the DPS form part of a scheme for creating a kind of Muslim belt in the Balkans?

[Dogan] This issue is also of topical importance for Europe, especially in connection with the conflict in Bosnia-Herzegovina. Even European politicians, when they raise the Bosnia issue, always subconsciously think of just such an imaginary potential Muslim belt linking Turkey with Greece, Bulgaria, Macedonia [The Former Yugoslav Republic of Macedonia], Yugoslavia, and even parts of Romania.... Indeed, from the viewpoint of the real processes, this tendency always seems to have existed, namely for the Muslims to unite—I mean in the Balkans—and, by uniting, create a threat to the status quo and to the security of our peninsula and the whole of Europe.

Everyone knows that the crossroads of the Balkans contains a genetic cocktail. In the Bulgarian nation's gene pool, we will find at least a dozen components from different nationalities that were the basis for the formation of the Bulgarian nationality. The Balkans, Bulgaria included, are so like a multicolored genetic mosaic that it is absurd for the nationalism and chauvinism of any individual ethnic group to become a dominant factor. Accordingly, I think that a Muslim belt is possible only

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from the cultural and educational viewpoint. It is impossible at any other level. Therefore, any idea of a Muslim belt as a potential danger to the Balkan peoples and Europe is nothing but an obsession. [passage omitted]

[Garelov] Do your views regarding the Balkans coincide with Bulgaria's official Balkan policy?

[Dogan] As a country, we have never had a stable policy on the nationality issue. During the last few years especially, the value of our place at the center of the Balkans has begun to attract the attention of even the U.S. Congress, to say nothing of the European Parliament and our neighbors. We have a chance to become a factor of equilibrium in the Balkans and, in a certain sense, to determine common policies on given problems. To me it seems a matter of great importance that the peninsula's future depends to an exceptional extent on the future of the democratic processes in Bulgaria. The political parties should make clear, and once and for all state, what their policies are as regards neighboring countries, and what priorities will be topical for us—I mean in general terms, not relating to a specific political situation—and every succeeding generation of politicians should simply maintain whatever line will be in the interest of Bulgaria, of the status quo in our region, and of establishing Bulgaria as the crossroads of the Balkans. I think it very significant that during the past five years we have imposed a Bulgarian model in settling ethnic issues, a model that has inspired the respect of Europe, America, and the world. This is the way to solve problems by legislative means, through dialogue, by seeking a formula that combines the collective rights of the minorities with the security of the state.. [passage omitted]

### Trilateral Cooperation Council To Meet

*AU2810195194 Sofia Khorizont Radio Network in Bulgarian 1700 GMT 28 Oct 94*

[FBIS Translated Text] Deputy Prime Minister Nikola Vasilev today agreed with Krustyu Petkov, president of the Confederation of Independent Trade Unions in Bulgaria [KNSB], and with Podkrepa leader Konstantin Trenchev, that the National Council for Trilateral Cooperation will reconvene next week. At the meeting, an interim agreement that defines the priority tasks to be examined and the rules of procedure for the council's meetings will be signed.

On 31 October the two trade union confederations will submit written details of the problems they consider high priority. At the moment, these appear to include compensation for the incomes of the population, privatization, and labor conflicts.

### Drain of Skilled Nuclear Plant Workers Noted

*AU2810150494 Sofia DUMA in Bulgarian 24 Oct 94 p 7*

[Report by Iliya Borisov: "Brain Drain From Kozloduy Nuclear Power Plant"]

[FBIS Translated Excerpt] Vratsa—Since the Kozloduy Nuclear Power Plant was commissioned 20 years ago, two and a half teams of operators have quit their jobs. Our nuclear energy industry has thus lost the services of dozens of highly qualified specialists on whose training large sums had been spent. Physicist Ivan Ivanov, deputy manager of the Kozloduy Plant, announced this at a briefing.

In addition, hundreds of other experienced workers and specialists with secondary education have quit the plant. There are fears that this process will intensify when the new nuclear generating capacities are commissioned in Cerna Voda, Romania and new nuclear plants start to be built in Turkey. The brain drain from our nuclear power plant will hold up development of our nuclear energy industry, especially in view of the fact that construction of the Belene plant is due to resume in the near future. [passage omitted]

### Mass Privatization Director Reportedly Dismissed

*AU2810150194 Sofia Khorizont Radio Network in Bulgarian 1400 GMT 28 Oct 94*

[FBIS Translated Text] On the basis of Article 328 of the Labor Code and in fulfillment of Council of Ministers Decision No. 470 of 27 October, Dimitur Stefanov is dismissed from the position of director of the Mass Privatization Center.

The only confirmation that we received was from the dismissed official himself, who said that the decision was not adopted at a regular cabinet meeting but by circulating the document for signature by the ministers.

Government spokesman Ivan Armyanov told the Khorizont Radio Program a short while ago that he had no official information on such a decision.

### BZNS Group Joins SDS on Elections

*AU2710194594 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 27 Oct 94*

[FBIS Translated Text] At a news briefing today Milan Drenchev, leader of the Nikola Petkov Bulgarian National Agrarian Union [Nikola Petkov BZNS, which was not represented in the last parliament] said that as a whole, the Nikola Petkov BZNS had never left the Union of Democratic Forces [SDS], and is for this reason now fighting the elections together with the SDS. Drenchev said they would sign an election campaign agreement with the SDS within the next few days. In answer to whethe or not his party would find a common language with the blue Agrarians [Nikola Petkov BZNS within the SDS, led by Georgi Petrov], Drenchev said that Georgi Petrov's formation is an artificial creation in Bulgarian politics and, accordingly, the Nikola Petkov Agrarians have nothing to discuss with its leaders.

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## Vaclav Havel Interviewed by Hungarian TV

*LD3010210394*

[FBIS Editorial Report] Budapest MTV Television Network in Hungarian at 1640 GMT on 30 October carries a 30-minute "Foreign Political Observer" program entitled "Face to Face With Vaclav Havel"; the Czech president is to visit Hungary on 1 November.

After an eight-minute roundup report on Havel's activities before 1989 and his Czechoslovak and Czech presidency, the program features a 20-minute recorded interview with Vaclav Havel, conducted by Istvan Szelloe. Havel speaks in Czech with superimposed Hungarian translation. He first says it is not very likely that he will write a drama about the velvet revolution.

Asked about T. Masaryk, the first president of Czechoslovakia, whom he considers as a model, Havel says that he respects Masaryk for several reasons but does not agree with him in every respect. Havel considers the values on which the new Czechoslovak state was founded as more important than the actual size of the multinational state. Drawing a parallel between the disintegration of the former Austro-Hungarian monarchy and the recent disintegration of Czechoslovakia, he stresses the importance of accepting political reality: "As he adjusted to the course of history at that time, I also had to do the same. I had to take cognizance of the fact that the Slovak nation intended to demonstrate its national identity in the form of an independent state. I had to reconcile myself to it, depite the fact that, as the president of the federal republic, I have long been working for the prevention of the split of our state. However, I had to accept the new situation as a fact. But, after all, the values on which this state is based are more important for me, too, than the size of the country."

Asked about his relations with the former opposition, he says that he has tried to keep in touch with them, although their life has developed in very different directions. He stresses that he has also been warmly welcomed by Slovak people.

Asked about similarities and differences in the Czech and Hungarian politics and economies in the 1990's, Havel emphasizes common problems and the common desire of becoming full members of the European Union and NATO and "not to be left in a vacuum, in a waiting room." He also considers good relations with neighbors as being one of our most important common interests.

Commenting on a flashback on the formation of the Visegrad Three in 1991, Havel says about regional cooperation: "The situation has changed since then. There is no need for demonstrative gestures, ceremonial statements anymore—or at least to a lesser extent than at the beginning of a new historical period. It is the time of concrete, everyday work today. And our government is undoubtedly aware of this situation. This is why it stresses that less striking and less ceremonial work is required, and, therefore, it lays emphasis on the free trade agreement and similar things."

Havel continues: "I think every sensible man, every sensible politician is aware of the importance of good relations with neighbors. And I can assure you that it is not the case that we would like to compete with other countries of the region or would envy their successes or be jealous of them when they overtake us in something. What we need is not the atmosphere of rivalry of hostility. Just the contrary."

Asked about destabilizing factors in the region, Havel says: "I think it would undoubtedly be a stabilizing factor, the faster our settlement into the democratic world takes place, and the faster and more openly the democratic world is ready to accept us, the more stable the situation in Central Europe will be. If the world system remains unclear and a lot of loose threads are left for a long period, it will indeed be a source of danger. The present situation favors a lot of populist, autocratic, nationalist, and similar people. You asked about the destabilizing factors. Well, what destabilizes is primarily the early age of these democracies."

Reflecting on an earlier speech he made on the vision of the new Europe, Havel says: "This is indeed a very respectable and unprecedented experiment, which is aimed at the establishment of the European political reality on new basic principles—cooperation, solidarity, and joint responsibility for European matters."

"In my view, the idea of a Europe as a single political formation, though consisting of very different nations and peoples, is very important because this is the first instance in history that the European political order is not based on the principle of violence and superiority but on a kind of equality. This is a great chance. And it depends on all of the European politicians whether it turns to reality and with what content."

Commenting on the two countries' role in the Partnership for Peace program, Havel says: "Like Hungary, we consider the Partnership to be the first step on the road to full membership. The Czech Republic would like to become a NATO member as soon as possible. My oft-voiced view is that it is in the interest of the entire Europe and NATO that at least the Visegrad countries should be admitted to the organization as soon as possible. That is to say, this is our common aim."

Asked about the possible causes of military conflicts and wars all over the world, Havel says: "In my view, one of the causes of wars is that the bipolar world has collapsed—the world that, although unnaturally, had established some kind of order. Certain spheres of interest had been established between the great powers and the countries gathering around them; therefore, their links used to be tighter. All of this has collapsed after the fall of communism, and this has shown its effect in our region as well."

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Szelloe asks: "Do you think it is the United States that represents the only, the main, power in the present world, both in the military and the economic sense?" Havel replies: "The United States is, perhaps, the strongest state in the world now. But it is not the only strong state in the world; there are more. And power relations can change in various ways in the following decades. Russia has a significant role, in spite of the fact that the former Soviet Union has ceased to exist. It clearly has political weight; it possesses nuclear weapons, as well. China is an enormous country, too, and it can have increasingly greater significance in the coming decades. The world is more colorful and multipolar than before."

Asked about his dual role of writer and politician, Havel says he has not written a drama for a long time, and he tries to make his presidential post meaningful and not formal.

### Havel Address on Czechoslovak Anniversary

*I D2810233794 Prague Radiozurnal Radio Network in Czech 1900 GMT 28 Oct 94*

[Address by Czech President Vaclav Havel on 28 October to mark the anniversary of Czechoslovakia's foundation in 1918; place not given—recorded]

[FBIS Translated Text] Esteemed fellow citizens: Today's state holiday reminds us, first of all, of the big day in our modern history, when the independent and democratic Czechoslovak state was born. However, it does not remind us solely of this day. It also reminds us of the whole 20-year period of the First Republic [Czechoslovak Republic between 1918 and 1938], the republic we again turn to as one of our sources of inspiration now at the time of our renewed democracy.

When reflecting on what was the most valuable thing about the First Republic, it occurs to me that it was probably the special and remarkably strong way in which the majority of the public and of the political powers identified themselves internally with the new state and its policy.

Of course, the First Republic had a number of its own problems, beginning with the unresolved relation to its own multinational structure, continuing with the unhealthy mushrooming party politicking [partajniceni] and ending with shadows of provincialism affecting its public life.

Nevertheless, somewhere behind all of this there was a high degree of general consensus on the essential issues of state existence, general agreement with the ideas Czechoslovakia was endowed with at its beginning, as well as with the aims to which it aspired.

Long decades of the so-called minute work, as Masaryk called it, including self-education, the development of self-awareness, the cultivation of all areas of national life, were worth it. The maturity of approaches with which the majority of citizens accepted the new state as their own and realized that they had to work for it to flourish was the fruit of all of this work.

The moral and spiritual values and ideals that formed the basis of the first Czechoslovak state, as well as the vision of its position, meaning, and future in the European context, as formulated by the then spiritual leaders of the nation, simply found a well-prepared soil. They took root and created the inconspicuous basis on which all of the good the First Republic could be credited with has grown.

What was it, in particular? For example, the well-developed civic consciousness, people's interest in public life and in taking part in this life as reflected in the remarkably developed societal life, the traditional emphasis on education, the ambition for creative work, entrepreneurial enthusiasm, as well as entrepreneurial culture and ethics, the high level of mutual tolerance and solidarity, and the overall decency of circumstances.

Yes, all this was characteristic of the atmosphere of the First Republic, and all this together created unpretentious patriotism in its citizens.

I am sure that you well know why I am today pointing out precisely these good points of the First Republic. I think that we, who are building a new Czech state, should remember these specific points today.

The time of the revolutionary transformation of our entire social, political, and economic system, the time of fundamental changes of the system, the time of hectic work on these changes is now irrevocably ending. The era of a dramatic and sometimes rather rash creation of the fundamental preconditions for our state's new and good future is now, five years since the November revolution, simply over.

In this key moment, there are only two options open to us. Either we will be satisfied with what has already been achieved, praising it and embarking on waiting, rather barren of spiritual values, to see what good and not so good elements are brought about by all the changes we made to the system, devoting ourselves only to some kind of maintenance of our state and to the everyday care of ensuring that it runs as smoothly as possible. Perhaps only if we have the feeling that something, somewhere, is beginning to smolder would we quickly pour water on it.

However, we also have the second option, the better option, the one I fully subscribe to and recommend, the option we are clearly called on to choose when remembering the most precious points of the First Republic and their roots. This second option is to contemplate again the purpose of all of the changes we have made, the targets we are aiming at or want to aim at, the timetable of further, more subtle changes called for by the course of action we have chosen—to contemplate this in peace, without being rushed by revolutionary hurry, doing so now with greater concentration and more thoroughly.

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To put it briefly, we are at a crossroads, and this forces us to think anew about the character of the state we are building. In other words, our task in the forthcoming period is no longer limited to a renewal of all of the fundamental rules, tools, and institutions of democracy and a market economy. They have all more or less already been renewed. In my view, our future task should not be limited to ensuring their smooth running.

We need something more—to begin seriously discussing what character the democracy we want to pursue should have, what its roots should be, what its spirit should be, and what path it should take in the future.

Similarly, it is necessary to contemplate seriously what specific work should be done on various levels in the conditions of the renewed market economy in order to orientate its results toward public benefit.

We simply need a new vision, a vision summarizing our fundamental ideas about what the future role of a citizen, the role of self-administration, and the role of a state should be, what the structure of our civic society should be, what methods we should use to cultivate our civic coexistence, what the political and economic identity and strategy of our state in the European context should be.

The moment has simply come when we must have a clear idea how to open the space for the really fruitful and all-around participation of our citizens in public life, the space based on trust in our citizens and their ability to solve many problems that have so far been solved for them by the state, though this was not necessary. The time has come when we have to know what course of action we need to take in order to achieve that the growth of production should be accompanied by the growth of real quality of life. The time has come for us to make both domestic and foreign entrepreneurs aware that they are welcome here but also to ensure that they orientate themselves to those spheres where our situation is the worst and where our need for investments is the greatest.

In the future, we simply cannot make it without a clear idea about how our state will also make the situation easier for small-scale entrepreneurs and how it will support the development of infrastructures. We cannot make it without a clear and easily understandable concept in the sphere of social policy, health policy, agriculture, energy, housing, education, security, ecological, and other policies. People have to reach the conclusion, based on their own experience, that the development of the market economy benefits not only some people but all.

The time has finally come when it is necessary to state again, and clearly, what role our state wants to play on the international scene, whether it wants to be truly respected, perceived as trustworthy, and, thanks to its responsibility and sense of solidarity, become a really welcomed member of the democratic community, or whether it wants to be a state received, because of its haughty and self-centered attitude, with polite coldness.

The vision I am speaking about has to be, of course, based on a clear awareness of the spiritual and moral values that are fundamental for our young democracy and must lead to concrete work on ideas from which the entire legislative work and, consequently, practical politics can develop.

All of this can serve as the natural framework, the starting point for a peaceful, patient, and everyday cultivation of all of the spheres and elements of our social life—in other words, the minute work, as Masaryk put it. Without such work, all visions are mere foolish dreams.

On the other hand, concrete work not based on a certain idea about its purpose is usually mere wandering.

To follow the path I am speaking in favor of is not at all easy in the present world, with its comprehensive links and which is full of new threats to our civilization. However, this should not be a reason for any one of us to avoid this path. It would be only we again who would pay dearly for having been self-indulgent in this way.

We are simply facing a new historic appeal. Let us respond to it at least as well as our ancestors building the First Republic responded to the appeal of their time.

Esteemed friends, I would like to congratulate you on the occasion of today's national holiday.

## Klaus on Relations With Germany, Skoda Strike

*AU2810150394 Prague DENNI TELEGRAF in Czech 21 Oct 94 p 3*

[Interview with Prime Minister Vaclav Klaus by Viktor Krejci; place and date not given: "When the Situation in Germany Settles Down, We Will Put Forward Some of Our Standard Demands Again"]

[FBIS Translated Excerpt] In today's regular interview with Prime Minister Vaclav Klaus, we speak about the situation in Czech-German relations after the close electoral victory of Chancellor Kohl's coalition, the decision by the Civic Democratic Party Executive Committee to pay a deposit on behalf of Petr Cermak until the case of the borrowed Mercedes is resolved, and other events of this week.

[Krejci] Kohl's coalition has won the election. Do you think that will result in the calming down of the situation with regard to the statements by some German politicians about the Czech Republic, statements concerning the Benes Decrees and the Sudeten Germans?

[Klaus] I believe it would be rather premature to give an unequivocal answer. The German political scene must settle down a little. The election has stirred the German political scene, which has to settle a little. The not very convincing election victory of the existing government

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coalition undoubtedly means something: Although it allows the government to continue in its activity, it has nevertheless suffered a blow because the relatively small majority in the 672-member parliament places it in quite a difficult position. It is certain, however, that, when the situation settles down in Germany, we will table some of our standard demands again and discuss them with the German side. However, I would not dare to guess what the new situation will mean on the German political scene.

[Krejci] In your opinion, will the arrival of the new NATO chief, Willy Claes, mean a change in the Alliance's attitude toward East European countries, toward the speed of their integration?

[Klaus] I do not underestimate the role of the individual in politics, but, on the other hand, I do not overestimate it. In view of his previous life and his past, former NATO Chief Manfred Woerner was more of a Central European than the current Belgian NATO chief. Nevertheless, if anything, his arrival will be rather neutral. I do not see any immediate reason to think that this change in the head of NATO would signify a significant improvement in the chances of countries, like the Czech Republic, of being admitted into NATO. [passage omitted]

[Krejci] You said regarding the strike in the Skoda Mlada Boleslav factory that a strike is the last possibility. What is a justified reason for a strike, in your opinion?

[Klaus] The right to strike is included in our legal code. I hope we all understand that this is a thing usable only in the event that all other forms of negotiation have broken down. The main thing is that the trade unions' raison d'etre, or that of the employees' representatives, is the effort to acquire the best possible wage and working conditions. This is logical, and it cannot be otherwise. I am convinced that, when the trade unions feel that someone is blocking their justified wage growth or is making their working conditions worse and complicating safety at work, they should fight to correct the situation.

The strike in the Skoda factory on 17 October did not seem to me to be an effort to safeguard these matters, but to be a strike during which arguments were raised about long-term concepts for the company and the automobile industry in the Czech Republic, which are matters that simply do not pertain to employees in an economy and society of our type. It really is the owner who makes such decisions. A trade union organization is certainly not such an owner.

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## Moravcik Outlines Priorities for New Cabinet

*AU3010201694 Bratislava NARODNA OBRODA in Slovak 25 Oct 94 p 3*

[Second installment of interview with Slovak Prime Minister Jozef Moravcik by unidentified NARODNA OBRODA correspondents in Bratislava; date not given: "According to Jozef Moravcik, Halting Privatization Would Endanger the Slovak Economy"]

[FBIS Translated Text] [NARODNA OBRODA] In your opinion, could the Democratic Union [DU] have fought the election campaign differently, even more effectively?

[Moravcik] We do not overestimate the effects of the election campaign. They reflect the fixed contours of the population's opinion, which does not change from week to week. If some of the voters feel the need for authority, etatism, state paternalism, and decelerating privatization, this is a consequence of our historical conditions. We ascribe more significance, so to speak, to learning instead of populism, to say nothing of unrealistic demagoguery. We need to persistently explain to people the forward-looking nature of a different way of thinking. The more time there is for this, the greater the hope of success.

[NARODNA OBRODA] You said that the Party of the Democratic Left [SDL] vacated too much space on the left. However, how much more left could Brigita Schmognerova be and still remain a pragmatic economist? Would this not be merely deceiving the voters?

[Moravcik] (with his typical smile and poise) Allow me to make a mild protest. If we were to accept this argument, we would soon come to the conclusion that the left-wing orientation is for those who are not so quick on the uptake, those who want to be deceived. But this is not true. After all, the left bloc has had a firm place in all democracies for decades—left-wing policy, too.

[NARODNA OBRODA] Let us grant you that, but, in the current situation, can you imagine a more left-wing economic policy for the government?

[Moravcik] Let us illustrate this with an example from our neighbors: Vaclav Klaus undoubtedly used and uses the rhetoric of the conservative right wing. He managed, within the framework of the aforementioned preelection education, to convince the voters that he was right. However, in real policy, he uses, without big words, liberal and even left-wing elements. And, for precisely this reason, this is real policy. I think the SDL could make more emphatic use of the elements of left-wing thinking, although it would have to make compromises in a broad coalition government.

[NARODNA OBRODA] In your opinion, is Vladimir Meciar's credit for the establishment of the Slovak Republic not being fetishized?

[Moravcik] Myths have to be created in every important historical issue. I was there, and I can testify that, if from the beginning anyone pushed with absolute determination for the establishment of the Slovak Republic, it was Michal Kovac, Milan Knazko, and Augustin Huska. They did not alter their views one bit. Vladimir Meciar did not have a clear-cut stance initially. Anyone can verify this. Some of his views were published.

[NARODNA OBRODA] Of course, you have in mind the situation before the 1992 election.

[Moravcik] Certainly. Then came the negotiations with the Czech Civic Democratic Party [ODS]. The ODS's forceful rejection of a confederation decided the future. We again had to reject their concept for a so-called functional federation. Vladimir Meciar concealed the inevitable outcome by his authority, and he deserves a great deal of the credit for creating the Slovak Republic's structures. However, I would not associate Slovakia's future with a politician like Vladimir Meciar on account of his inability to overcome his confrontationist view of the world.

[NARODNA OBRODA] When you took over the government in March, some of the outgoing ministers openly boasted that they did not leave you even a pencil on their desks. How will you relinquish the departments to the future government?

[Moravcik] Naturally, such a course of action does not come into consideration for us. We thoroughly respect the Constitution. We would never cast doubt on the importance of continuity for the future of Slovakia. After the first session of the National Council of the Slovak Republic on 3 November, we will submit our resignation in harmony with the Constitution, and, if the president asks us to carry on until the new government is formed, we will accept his authorization with complete responsibility, including the proper handover of the departments to our successors.

[NARODNA OBRODA] The government tried sincerely to fulfill all of its promises. The opinion is that it did so with one exception: A month before the election, you promised to cease privatization, but you are now proceeding with it. Why?

[Moravcik] We did not want to conduct privatization during the election campaign so it would not be used in the campaign. However, after the election, there was no rational reason for us to stick to our own resolution. Why?

1. The intercession of the National Property Fund, with a sum of 3.5 billion korunas for the development programs intended to support the economy's recovery is taken into account in the law on the state budget. If we were to suspend privatization for a longer period, until the new government is formed, the Fund would have no money.

2. Work on the projects has been in progress for six months. The investors and businessmen are waiting for

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the decision. They have promises of credit on which there is no time limit. Further procrastination would be irresponsible.

3. Enterprise managements and employees are waiting for new owners in preprivatization agony. This agony is doing considerable damage to the economy.

Today, no one dares to predict when the new government will enter office. Life must go on, however. Therefore, we would consider halting privatization to be a buck-passing gamble.

[NARODNA OBRODA] Why do you not explain this to the citizens on television?

[Moravcik] Very well, I will ask Mrs. Schmognerova...

[NARODNA OBRODA] Do you think there is a possibility that the Constitutional Court would, after all, decide that the election should be repeated?

[Moravcik] This is a legal and practical issue. From a legal point of view, it is theoretically possible, but neither the complaint submitted by the Movement for a Democratic Slovakia [HZDS] nor the one submitted by DU justifies such a decision. As far as the practical aspect is concerned, a fresh election could mean a minimum of variation. Perhaps some voters would not recast their ballot for the HZDS, which has not managed to use its victory to Slovakia's benefit. Perhaps, in the wake of the postelection experiences, the left would be strengthened. But this is all hypothetical.

[NARODNA OBRODA] How did the election turn out in Ocova? Vladimir Meciar had promised that only your immediate family would vote for you there.

[Moravcik] We won an average of 10 percent there, as we did elsewhere in Slovakia. I do not have such an extensive family in Ocova.

[NARODNA OBRODA] Now for the final question: In your opinion, what priorities and what pitfalls await the future government?

[Moravcik] Undoubtedly, this depends on its composition. However, regardless of its composition, I suppose that the future government will have to take the following issues into consideration:

First, there is the formulation of the state budget, which is the fundamental instrument for influencing the economy and our entire lives. Formulating it without the considerable authority of the National Property Fund is inconceivable. Hence, it will be necessary to dynamize privatization. If the government has the prospect of a mandate for four years, it must also rapidly complete privatization, including coupon privatization. If a government with slowing down privatization in its program were to be formed, I cannot imagine what its starting point would be.

Second, it is necessary to restructure and revitalize the banking sphere. Otherwise, lower interest rates on loans cannot be achieved, and, without them, we will not be able to develop business.

Third, the two previous measures are associated with eliminating insolvency. Additional resources are needed for this, and it is necessary to keep a tight rein on inflation.

Fourth, according to the Slovak National Bank, our monetary policy is not restrictive. In my opinion, it is. Budget policy, however, must be restrictive. The starting point would be a restrictive budget that, admittedly, would not be able to fulfill demagogic promises. However, in monetary policy, this would be a firm move toward economic recovery.

Fifth, in the social sphere, it is necessary to deal with the most problematic districts with the highest unemployment. Until now, this was also an element of the government's economic policy. However, the projects to develop small and medium-sized business remained at the declarative stage.

Sixth, despite the tension in the state budget, it is necessary to find funds for education. We are beginning to lag seriously behind the world in the number of university students. We must double their number within a short period.

Seventh, in defense, we will continue our rapprochement with NATO by means of the Partnership for Peace program. Any changes could be very harmful. In foreign policy, it is necessary to prepare for membership in the European Union, even though some citizens have adopted a negative point of view on this. The aforementioned learning will also be essential here.

### Moravcik on 1995 Draft Budget, New Government

*LD2810221194 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1700 GMT 28 Oct 94*

[Regular weekly interview with Slovak Prime Minister Jozef Moravcik by correspondent Ivan Bielko on 28 October; place not given—recorded]

[FBIS Translated Excerpt] [Bielko] According to the Movement for a Democratic Slovakia, your government should prepare the 1995 draft budget. Do you agree?

[Moravcik] Yes, we are drafting the 1995 state budget. It would be more appropriate for the new government to do, so but we take matters as they come. The new government has not been formed yet. This means that we will prepare the budget, but the new government will have to present it to parliament because we are not prepared to do so.

[Bielko] You said that it would have been more appropriate for the new government to draft the budget. Why?

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[Moravcik] Because the whole government policy for the next period is reflected in budget drafting. It is the most important tool in which the whole policy in all spheres is concentrated. From this point of view, if I were in this situation, I would first hurry to form the government so that the new government could take part in the budget drafting either from the very beginning of this process or at least in its later stages.

[Bielko] Will your government be able to put the budget together?

[Moravcik] Of course. Why not? The budget has to be drafted. Naturally, there are a number of problems linked to the budget drafting—namely, the enormous level of debt servicing. This is a burden that is, one could say, unnecessary. It amounts to approximately 40 billion korunas [Sk]. We have to deal with this problem, which, in fact, is a legacy from previous years, because this year's development of the deficit is favorable [priaznivy vyvoj deficitu]. Hence, the entire deficit cannot be attributed to the short, six-month period of this government. [passage omitted]

With our budget policy, we want to boost the positive trends that emerged this year. We expect inflation to remain under 10 percent and the state budget deficit to be 1 percent less than this year—that is, it should not be more than 3 percent of the gross national product.

[Bielko] This internal indebtedness is what I was thinking about. Speaking on television last night, Mr. Meciar repeated that the new budget would include a deficit of Sk54 billion.

[Moravcik] This is very exaggerated. If we brought in the National Property Fund, the deficit would probably be about Sk35 billion. This would be really above what is an acceptable level.

However, a solution exists, and, as I said, this solution lies in linking privatization to economic policy. Since the very beginning, we have stressed that privatization should be linked to economic policy. We are preparing specific privatization projects that, if implemented, would create conditions in the National Property Fund for letting it assume a part of debt servicing. [passage omitted]

[Bielko] What should the new government be like? What should its composition be in order to make it possible for Slovakia to survive?

[Moravcik] I think this is a question of political style, of the style of governing that is to be used. If a confrontational style prevails, Slovakia's future will be very bad indeed.

However, if a style of cooperation continues, Slovakia is on a very good path. It has achieved very good results. Taking this into account, I do not at all fear for Slovakia's future.

## HZDS Authorizes Meciar To Form New Government

*LD2910221394 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 2030 GMT 29 Oct 94*

[FBIS Translated Text] The republic board of the Movement for a Democratic Slovakia [HZDS] issued a communique from its 29 October session in Piestany at which it decided to nominate Ivan Gasparovic to the post of National Council chairman.

HZDS Chairman Vladimir Meciar was advised to accept the commission from the Slovak president to form the government. At the same time, the board charged Meciar with the duty to present the republic board with the proposal of an agreement on forming a majority coalition government.

The republic board of the HZDS has decided to prevent the repetition of an early election.

## SDL Chairman Evasive About Split Within Party

*AU3010205794 Bratislava SLOVENSKA REPUBLIKA in Slovak 26 Oct 94 p 2*

[Interview with Peter Weiss, chairman of the Party of the Democratic Left, by Miroslav Sasky; place and date not given: "A Split Within the SDL Before the Coalition Talks?"]

[FBIS Translated Text] *Following the talks on 21 October between Common Choice and the Movement for a Democratic Slovakia, it has emerged that the ideological unity within the SDL [Party of the Democratic Left] is not nearly as tight as is usually maintained. The comment that entering into the anti-Meciar coalition was a historical mistake on the part of the SDL has been described by Peter Weiss as the personal opinion of Pavol Kanis, but, at the same time, he did admit that similar views were also expressed at the SDL Republican Council. So, we wondered whether there was a threat of a split within yet another political party in Slovakia or, as the case may be, of the collapse of the coalition that went into the election under the name "Common Choice." The SDL chairman is still an optimist, however.*

[Sasky] Mr. Weiss, would you care to respond to the statement made by Olga Keltosova that the political parties affiliated in Common Choice are no longer bound to the SDL by any agreement?

[Weiss] It is not quite like that. The parties are still bound by a common program, and we are just about to sign an agreement on postelection cooperation involving the Party of the Democratic Left, the Social Democratic Party in Slovakia, the Green Party of Slovakia, and the Farmers' Movement. So, I believe that our course of action will continue to be coordinated.

[Sasky] Your verbal exchange with Pavol Kanis indicates that the SDL is not so ideologically united as it used to be. Are you not worried that there could be a split within the party?

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[Weiss] A split within the SDL has been the long-term ambition of all sorts of people. I, as chairman, will try to proceed in such a way as to ensure that this does not happen. Incidentally, the SDL Republican Council, not individuals, will decide on the course of the talks and their interpretation. The issue now mainly involves the kind of left-wing policy that will be formulated in Slovakia. That is, it involves the left's long-term prospects in Slovakia. Either a left-wing policy with a social democratic orientation will be pursued or a left-wing policy that looks back to the past will be executed.

[Sasky] Could it happen that the SDL Executive Committee will decide at its session to withdraw Pavol Kanis from the coalition talks?

[Weiss] Obviously, I am unable to answer this question at the moment, but anything is possible.

### Speaks About Domestic Situation

*LD2910210894 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 29 Oct 94*

[FBIS Translated Excerpt] A meeting of the Executive Council of the Party of the Democratic Left [SDL] ended in Kosice shortly before midnight yesterday. The main point on the agenda was support for the SDL candidates in local elections. However, this body's stance on the domestic political situation was expected with even greater interest. In a phone call from eastern Slovakia, SDL Chairman Peter Weiss explained this stance to our colleague Magda Pospisilova.

[Begin recording] [Pospisilova] How did the SDL Executive Council assess the coalition talks with the Movement for a Democratic Slovakia [HZDS] on the possibilities of forming a coalition government?

[Weiss] We have assessed our talks with all of the political parties. The Executive Council emphasized in its statement that we are against setting up a commission for the investigation of the president's activity and against any commission for investigation into someone else's activity in connection with the dismissal of the government on 11 March. Of course, we unanimously support the conditions set by the SDL National Council. Further talks will greatly depend on what the HZDS does at the constituent meeting of the National Council of the Slovak Republic. [passage omitted]

[Pospisilova] Mr. Weiss, your personal conflict with SDL Deputy Chairman Kanis was very much taken up by the media this week. What was the stance taken by the Executive on the exchange of opinions in the media?

[Weiss] I did not initiate this exchange of opinions. I do not consider this to be a good approach. The Executive asked members of the SDL board as well as the SDL members of deputies' clubs and the government to refrain from debates concerning internal political matters until the documents for the 3d SDL Congress are released for party discussion. [end recording]

### Carnogursky Stresses KDH Going Into Opposition

*LD3010214794 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 30 Oct 94*

[FBIS Translated Excerpt] We have asked Christian Democratic Movement [KDH] Chairman Jan Carnogursky to share with us his movement's reaction to the communique issued by the Movement for a Democratic Slovakia [HZDS]. The KDH departure into opposition was allegedly approved by a majority of only one vote. Hence, it is not necessarily impossible to reconsider the possibility of renewed talks under the changed circumstances, the more so when we realize that the future government, if it wants to have majority support and wants to be stable, has to be a government of a major compromise. Is the KDH willing to accede to compromise?

[begin recording] [Carnogursky] The KDH has adopted the resolution on ending the coalition talks and going into opposition. We are not changing this resolution. We are going into opposition. The communique from the meeting of the national board of the HZDS gives us no reason to change our decision.

In my opinion, the communique of the HZDS national board is not quite logical in itself because it is not only the HZDS that decides on whether there will be a majority government. Consequently, the HZDS national board could not, in fact, authorize Mr. Meciar to present it with an agreement on the formation of a majority coalition government. The formation of a majority coalition government depends neither on Mr. Meciar nor, of course, on the HZDS national board.

At the same time, we have declared, simultaneously with the decision to go into opposition, that the KDH wants to be a constructive opposition, meaning that, under certain conditions, we are ready to support the correct and constructive steps of even an HZDS government, provided this government meets some basic conditions of Slovakia's political and economic stability. In this case, we are ready to support even an HZDS government.

At present, the talks might concern the conditions under which we would be ready, even in opposition, to eventually support an HZDS government and on what points.

[Reporter] Does it mean you would only allow for a discussion on your support for the HZDS from your position as an opposition party and not as a party that would join the HZDS in the government?

[Carnogursky] Yes, we have taken this stance after having assessed all of the steps taken by the HZDS both before and especially after the election. [passage omitted] All the steps taken by the HZDS only confirm us in our decision to go into opposition.

[Reporter] Does this mean that you totally exclude the possibility of any second thoughts on this decision or the possibility of changing this decision on not joining the government?

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[Carnogursky] Yes. [end recording]

### Luptak's Anti-European Remarks in Brussels Noted

*AU3010210794 Bratislava SME in Slovak 26 Oct 94 p 2*

[Report issued by the ARTERIA agency: "The Foreign Ministry Has Noted Luptak's Remarks in Brussels"]

[FBIS Translated Text] Bratislava—The Slovak Ministry of Foreign Affairs has noted the remarks made by Association of Workers of Slovakia (ZRS) Chairman Jan Luptak in Brussels, but it is still too soon to analyze them. This statement was made by Jaroslav Chlebo, the director of the Foreign Ministry Press and Information Department, in an interview for ARTERIA. He also said that the body most qualified to analyze the remarks made by Luptak is the National Council of the Slovak Republic Immunity Committee and not the Foreign Ministry. "We are a democratic society, and each citizen enjoys freedom of speech and expression, which we must respect," he added.

Over the weekend, the ZRS chairman took part in an anti-European and anti-Maastricht demonstration involving workers from West and East Europe, at which he claimed that his party is decidedly opposed to Slovakia's entry into the European Union and NATO.

In reply to a question on whether the remarks made by the ZRS chairman could complicate Slovakia's attempts to become integrated into European security and political structures, Chlebo said that these remarks were certainly registered abroad, but the statements made by qualified officials are what is mainly taken into consideration there. "This is activity by a representative of one of the parliamentary parties, incidentally, a party that has not yet completed the formation of its profile. I would not overdramatize this in any way," he said.

### Local Elections Electoral Commission Meets

*AU3010201594 Bratislava PRAVDA in Slovak 25 Oct 94 p 2*

[Article by Antonia Vymazalova: "They Agreed on the Chairman"]

[FBIS Translated Text] Bratislava—In accordance with the law on local elections, Prime Minister Jozef Moravcik yesterday convened the first session of the Slovak Electoral Commission (SVK) for the elections to community self-governing bodies. The SVK members took their ceremonial oath in the prime minister's presence.

Of the 18 political entities that fulfilled the conditions for membership in the SVK (lists of candidates had to be submitted in at least one-third of the districts), 12 delegated 24 members to it. Moravcik made a speech at the ceremonial event, in which he said the following: "Less than a month has passed since the election to the National Council of the Slovak Republic, and we are again facing a demanding task—for the first time in the independent Slovak Republic, to organize responsibly and properly elections to community self-governing bodies." A member of the commission, the supreme electoral body, said that they are taking on a major responsibility. The SVK administers the elections and makes the final decision on any complaints and protests it receives during the preparations for and the course of the elections. The SVK members elected by agreement (without drawing lots) as their chairman Jozef Olah, nominated by the Slovak National Party, and Frantisek Szomolay (Egyutteles) as their deputy chairman.

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### Goncz Urges Minority Participation in Elections

*LD2810144494 Budapest Kossuth Radio Network in Hungarian 1400 GMT 28 Oct 94*

[FBIS Translated Text] The Hungarian head of state and the speaker of the National Assembly have appealed to the minority communities to use their right guaranteed by the Constitution and to participate in the forthcoming minority local self-government elections.

In their joint statement, Arpad Goncz and Zoltan Gal called attention to the fact that the establishment of minority self-governments is in the mutual interest, since the 800 or so minority self-governments to be set up in the towns and villages of Hungary will serve the peaceful coexistence of the population.

### Opposition Official on Government's 1st 100 Days

*AU2810150594 Budapest UJ MAGYARORSZAG in Hungarian 27 Oct 94 p 10*

[Interview with Imre Konya, parliamentary deputy of the Hungarian Democratic Forum, by Laszlo Fabian; place and date not given: "The MDF Should Pursue a Consistent Policy"]

[FBIS Translated Excerpt] [Fabian] One hundred days have passed since the new government took office. Although this government did not ask for 100 days of grace, it is customary to observe such a period of grace. Elegance also requires it. After 100 days, we must say that our patience could have evaporated even after one day. One mistake followed the other. One can accept only with difficulty something like this from a government constantly claiming professionalism. How do you evaluate this period?

[Konya] One thing is really the fact that the two parties in power today won the elections with three slogans: professionalism, honesty, and coordination. They greatly stressed the last. A rather contradictory coalition has emerged, however, but it enjoys a majority that easily exceeds two-thirds. In principle, this majority provides great possibilities for the coalition to carry out everything it promised. It can also allow itself to coordinate things, because this does not threaten the government activity. However, instead of solving the problems, they use their strength to increase their power. Their most urgent task is to enable the parliamentary deputies also to be mayors. Then, they brought this package with the electoral law which they change without coordination with the opposition. In the meantime, an unprecedented cleansing is taking place in the offices, in the media, and the economy. [passage omitted]

[Fabian] Can we speak about a normal democracy in a place where the government is not capable of understanding the difference between legislative and executive power?

[Konya] Indeed, there is such a phenomenon. Take the example of cancelling the expo, something done contrary to a valid law, and the long delay in legislating the increase in pensions. Indeed, it seems that this government shows little sensitivity toward legality, constitutionalism, the weight of the Parliament, and the basic principles of our Constitution. [passage omitted]

[Fabian] It seems that the 100 days were enough for this government to show its real face, one free of the propaganda used during the elections. Aware of its true face, can the opposition now prepare for concrete struggle?

[Konya] The current situation is very similar to the one prevailing in 1989, with representatives of the exclusive power on one side, and a weak opposition excluded from power on the other. Now, under conditions of democracy, after free elections, a government emerged with a great majority, and the balance of forces is almost similar to the one prevailing in 1989. [passage omitted]

[Fabian] The recent election defeat affected parties that were in power. In other words, these parties must now reformulate themselves. Will this process take place at a speed enabling the emergence of real unity among the opposition?

[Konya] For adequate cooperation to emerge among the opposition parties, each of them should first of all develop their own strategy and determine their identity. Long-term and close cooperation will be possible between parties with a similar strategy. [passage omitted]

### Finance Minister Bekesi on Economic Policy

*LD2910205694 Budapest Kossuth Radio Network in Hungarian 1500 GMT 29 Oct 94*

[Interview with Finance Minister Laszlo Bekesi by Zoltan Farkas; place and date not given—recorded; first two paragraphs are announcer's introduction]

[FBIS Translated Excerpt] No doubt the finance minister and—following its adoption at the Thursday government session—the Government considers the 1995 budget guidelines as a serum against rabies for the Hungarian economy—it has to be administered before irreversible symptoms appear.

The signs are that the Government is so serious about this that it has already made it clear: it will get the budget through even if no agreement is made with the interest representation organizations. [passage omitted] Zoltan Farkas interviewed Finance Minister Laszlo Bekesi.

[Begin recording] [Farkas] There will be a circus here that has never been yet. That was what you said earlier this week. Was it an unguarded remark, a warning, or a prophecy?

[Bekesi] None of these. I am really sorry that despite my warning the media published what I allowed myself to say as a joke at an exclusive experts' meeting.

This statement means that the implementation of the 1995 economic policy program will harm interests at a

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number of points, particularly in the budget-run institutions. It is absolutely natural and predictable that the organizations, institutions, and interest representation bodies concerned will obviously do everything in order to improve their positions compared to what the government offers.

[Farkas] [Passage omitted] There are rumors about various numbers. There is a need for the government to start saving within its own scope. And there is speculation that 100,000-150,000 or 200,000 public employees will be dismissed. Or that the salaries of those working at the budget-run institutions will be increased only at a modest rate, if at all.

[Bekesi] [Passage omitted] We know exactly how much we can spend in 1995, that is, we cannot finance more deficit than we have to as a part of debt servicing. Thus, current expenditure and current revenues have to be balance. This means that, compared to the 1994 budget, budget expenditure and public finances, including social insurance funds and local governments, can only increase by a total of 10 percent.

Since there will be a general consumer price increase of about 20 percent, it means that on average and in real terms a decrease of about 10 percent in the budget sphere.

It is inevitable that we cannot implement those wage increases in 1995 which it would be possible to implement with the laws on public employees and on public employment taking effect on 1 January 1995. Therefore, nominal wage increase will range from 3 to 10 percent in this sphere, applying differentiation.

The Government says this wage increase could be more if the so- called reform of the public finances, which has been delayed for a long time, started. One of its elements is the reduction of tasks, the winding up of unnecessary institutions, and within this, lay-offs. What all the calculations say at the most is that if this task is implemented, then the jobs of a maximum of 3,000 people in this sphere will cease to exist. I am talking about the whole of the budget-run sphere in 1995. Rumors about hundreds of thousands are fabrications. It is a different matter that, in several years, when this public finance reform has been completed, we will have to face the fact that it is unlikely that about 1 million people who are employed by budget-run institutions in various places will not hold their present jobs. So there will be a transformation.

[Farkas] The opposition's criticism says that the economy has started to revive and it would be a crime against God to halt this upswing. What is the point in holding back investments, reducing individual consumption and growth? Can we afford not to allow the economy to start growing along the path it has defined for itself? The opposition's argument is that with growth, more income will be realized, from more income more tax will be realized, and this will put the budget on a sound basis.

[Bekesi] This version cannot be financed. I would like to clarify something because there are misunderstandings and misinterpretations, according to which the current government is turning against a healthy economic growth.

This year's economic growth has good elements—for example the expansion of the export and investments. Unfortunately, it also has bad elements and these are the decisive ones—namely, that around two-thirds of this growth are financed by a large debt growth. The overspending of public finances as well as imports, which exceeded our means, have also contributed to this. These two cannot be maintained for long.

[Farkas] Could we afford another year with a deficit like this?

[Bekesi] No, we could not afford another year with a deficit like this. Net debt has already increased by $5 billion in less than two years. Hungary's expenditure is 10 percent more than it is able to produce. Nothing will happen if growth continues in this structure, except that debt will increase. [passage omitted]

The second economic alternative is not about decreasing investments; investments will increase in 1995. Next year we can maintain 1994's—that is this year's—production and income, which are increasing by 2 or 3 percent indeed, without this huge debt continuing to grow.

Thus, the difference between the economic policy recommended by the Government and the present one, which is favored by the opposition, is not that the one is a policy of growth and the other is a restrictive policy. The difference is that, in the first case growth is achieved through debt—this is what the opposition parties want; and the other policy—the government's alternative—improves competitiveness without increasing debt, and this is the condition of long term growth.

[Farkas] [Passage omitted] Recently you held out the prospect of a 5-percent reduction in real wages. What would this mean? What are the everyday consequences of a policy of stabilization? What is it that the social partners have to be made to accept?

[Bekesi] Indeed, this is very difficult. Those who work in the budget financed organs will next year see a smaller pay increase than the approximately 20 percent rate of inflation. They will feel it. Those institutions which likewise operate in this sphere will be getting less in the way of development, less new equipment, and less financial resources necessary for maintaining the level of services. However, their operation will be secure, people will be able to work. And even if certain work force reductions do have to be begun, it will not be on a dramatic scale, but it will take place within the framework of a gradual transformation.

As for the nonbudgetary sphere, that is those working in companies, enterprises, in commerce, industry, and so

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on, as for how their lives will develop, that will depend largely on the performance of their own firm. Firms operating with a profit will increase their wages to the same degree as this year. But if the firm is operating at a loss, or if the state spends several billions to rescue the bankrupt firm, there will be no wage increase there in 1995. What is more, if the firms operate at a loss they will probably have to face bankruptcy or liquidation proceedings.

As for social policy, the situation of people in the poorest strata—those on small pensions, the unemployed, those with lots of children—their situation will not deteriorate but will improve, because for them we want to regroup more of these provision funds than they have received until now. But the welfare support given to the higher income strata, be it a question of family allowances or pensions, these will decrease.

I think what we must make very clear is that this kind of interim drop in consumption and the fall in living standards in some areas is at the same time capable of laying the foundations of a rapid growth. I am sure that in 2-3 years' time people will not remember that in 1995—oh my god, they reduced the budget spending and how small the wage increases were—as long as a significant growth of around 3 percent gets under way, which will also make it possible to increase consumption. But a precondition for this is that we do not further delay measures.

[Farkas] Both Prime Minister Gyula Horn and yourself have said that if the social economic pact is not concluded, if the social partners do not accept this program, it will be carried through nonetheless. Because the parliamentary majority for it exists, and chiefly because the government determination exists.

[Farkas] It would be very bad if this did not come into being. We would not lightly renounce the chances for the pact. What is more, I would add that I can even see a possibility that even if we are unable to agree on this or that point of the specific 1995 plans, perhaps it would not affect the longer-term, three or four years' social economic agreement. It would be necessary because, even if there is a significant parliamentary majority, the Government is unable on its own to implement this program without social disturbances. Though I have to say that there is no certainty that even if a social economic agreement is brought into being it would per se provide guarantees. In all events, it would perhaps share out more responsibility among the social partners, and the Government or the legislature would not have to bear sole responsibility for it.

So, what we strive for is that there should be an agreement. All that this determination means is that the Government is no longer able today to bring about an agreement at all costs, in other words, by fulfilling conditions for which it does not possess the financial bases, moreover which go against the rational economic policy, without which we cannot emerge from this difficult situation.

## Five Percent Drop in Real Wages Predicted

*95CH0014B Budapest FIGYELO in Hungarian 29 Sep 94 pp 14-15*

[Article by Csaba Vertes, with assistance from the Ministry of Labor and the Labor Affairs Research Institute: "Recommendations and Wishes"]

[FBIS Translated Text] Wages are not being regulated; the system of wage agreements barely functions. If this is so, what good does it do to have a wage policy concept?

It is not worth dealing with short-term wage policy concepts that apply to a single year only, because wage policies are inherently based on concepts presumed to be valid for longer periods of time. Here and now, however, one cannot even plan for as short a period as three years, because one would be hard put to reliably prognosticate management conditions even for the next three-year period, starting in 1995, and ending in 1998. Even the Ministry of Labor was unable to do better than to state and recommend to the government's attention its wage policy concepts for the upcoming one-year period.

### Is The Enforcement of Social Interest a Basic Governmental Interest?

One by one, let us take a look at the possible and desirable goals of governmental wage policies.

1. Change the wage trend—a trend somewhat independent from economic performance—without imposing any restriction on increased economic performance. (Let us add here: This is a very difficult, practically unattainable goal. Not even the most stringent administrative rules were capable of accomplishing this, because performance, the capability to perform, depends on the combined effect of a large number of factors, while wage increases represent basic existential conditions. Squeezing out performance first, then paying less than what would be appropriate to performance can only lead to reduced performance.)

2. Reach a wage agreement at the macroeconomic level, an agreement consistent with governmental anti-inflationary policies. (Even though the inflationary pressure created by wage increases during the past four years was lower than the present, politically proper level claimed, as can be seen from the situation described in the introduction....)

3. The wage agreements system that took the place of the earlier administrative rules functions so-so, generally at the "upper level," but it barely functions at the "mid-level and in the microeconomic sphere." Accordingly, the task that is definitive also from the standpoint of wage policies, is given. (The big question is whether the enforcement of interests at the social level and the strengthening of interest groups are an elementary governmental interest. Interest groups are, by all means, suitable for enforcing interests, and competent regarding wage agreements.)

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4. Reducing tensions stemming from existing income disparities, which cannot be tolerated even in the short term, and preventing the development of new disparities. (If for no other reason but the fact that extreme differences in the income of various groups of occupations—just as too close income levels—cause tensions in the labor market. This can be reduced only with difficulty, or not at all. But negative labor market conditions can also lead to income tensions.—See boxed item below for today's earning proportions and ratios.)

**The Practical Consequence of Next Year's Wage Policies Is a 5-Percent Decline in Real Wages**

These four most important wage policy goals defined by the Ministry of Labor must be viewed from the viewpoint of two large groups: entrepreneurs operating in the competitive market, and institutions funded by the state budget. Action to achieve the above-described goals cannot be uniformly taken with respect to the two groups, at the same time, however—we are cautioned by Labor Ministry officials—governmental wage policies must not make rigid distinctions between the two groups. In essence, the employees in both groups are part of one and the same labor market functioning in the same economic environment. And insofar as these employees are concerned, the government cannot expect any support for its wage policies, if—consciously, or only as a result of clumsiness—these policies characteristically make long-term distinctions between wage increases to which employees in the competitive sphere, and employees in state-funded institutions are entitled.

The practical consequence of this very short-term wage policy would be a 5-percent drop in real wages next year. This might be acceptable, but only if the government does everything it can to expose income generated in the illegal economy. And then, only if the government sees to it that gross earnings increase by 16-17 percent along with an approximate 20 percent increase in consumer prices after accepting the above-mentioned 5-percent drop in real wages, assuming, of course, that tax laws remain unchanged. (The ministry competent in these matters believes that gross earnings can be increased by 16-17 percent.) And then demands for wage increments by persons earning an income near the minimum wage level would probably become acceptable; the chances for streamlining wage increments granted within the two large groups of employees would be improved, and last, but not least, there would be a slight chance for moderating somewhat the incremental wages paid, i.e., improving the competitiveness of the productive sphere.

Government decision makers must be aware of the fact that reaching a settlement regarding wages paid in the administrative branch cannot be delayed, because a settlement of this matter next year has been guaranteed by law. They must also be aware of the fact that irrespective of how important it is to halt the growth of the expenditure side of the state budget, the difference in average wage increases that exists between the two large groups can no longer be preserved, if, indeed, the oft-mentioned social (and economic) agreement represents a serious attempt. (At least insofar as nominal increases are concerned....) In the opinion of the competent ministry, all this would also mean that the maximum acceptable difference in gross average wage increases would be 2 to 3 percentage points, to the detriment of institutions funded by the state budget. If this were to mean a more or less 14-percent wage increase, the aggregate amount of public sector wages to be expended would have to be increased next year by about 6 or 7 percent. The rest could be "managed," so to speak, from savings incurred as a result of expected reductions in force affecting about 70,000 people.

This sounds good. But not even several years of permanent constraints imposed upon state expenditures has produced in government circles well-considered ideas for the reduction of wage and material expenditures—specifically, as to which offices and institutions should be subjected to a drastic reducing diet—other than voicing this need in highly general terms. And since such streamlining programs still do no exist, what remains is an appearance of a solution at best: Claiming economic constraints, small reductions in force take place in some places, albeit without considering the fact that wage increases proportionate to the reduction in force cannot be financed from the aggregate wages saved. The savings do not finance the wage increases simply because dismissals are necessarily followed by severance pay, and quite often by respectable sums paid in the form of final settlements.

**Unbridled Runaway Wages Do Not Threaten in the Competitive Sphere**

Let us now take a look at desirable governmental wage policies that could be implemented in the competitive sphere! Some "macro-level" agreements should be considered as a given in this regard, but the greatest problem with these is that they are acceptable only in principle and in general, and that most of these cannot be enforced in practice, "down below." This is so, because the system of agreements and reconciliation consists only of declarations, which barely functions in practice. And if the system does not work in practice, the cancellation of the "agreement" would be followed by, for example, tax penalties, additional hindrances to strengthening the wage agreement system, moreover, by the creation of increasingly favorable positions for the illegal economy, which is rapidly gaining strength.

The threat of unbridled runaway wages does not exist, of course, in the competitive sphere, either. To the contrary, as proven by previously reported data covering the past four years, most businessmen have managed their available wage funds with moderation. On the other hand, the truth is that the government must, somehow, influence the compensation practices of enterprises in which the state exercises majority control, if such enterprises receive state subsidies, or incur losses.

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Insofar as the wage agreement system is not functional, and in this regard it is not functional, the possibility of "selective wage restriction" appears. The term "selective wage restriction" was used by the competent ministry. "Selective wage restriction" manifests itself in statements like these: "In organizations exercising the rights of owners, it should be the function of the person representing the state as the owner to have the managers develop and follow a corporate wage policy based on performance, one that results in wage increments consistent with ET [Interest Reconciliation Council] recommendations." Or: "...the authority will concur with price increases only if wage levels evolve according to expectations." (This, of course, can be enforced only on a very small scale....) And then: "In cases involving state majority ownership, the compensation rate of the number-one leader shall also depend on wages paid throughout the enterprise." (Suffice it to say that the easy frustration of these kinds of decreed sanctions is supported by decades of practical experience that has been transmitted from generation to generation.)

**The Government Can Recommend Maximum Wage Increases, but the Question Is, Who Abides by Them?**

Let us return now to the chances and possibilities of the competitive sphere to increase wages! The recommended rate of increase for next year is 16-17 percent of the gross average wages, in places where this increment can be supported by improved productivity and profitability. Increases consistent with the inflation rate, i.e., 4 or 5 percentage points in excess of the average wage increases, could be granted only by the best and most profitable enterprises. Therefore, the government should also make a recommendation regarding maximum wage increases, but considering the difficulty involved in the above-mentioned sanctions, the question is how the government could enforce this recommendation.

Wage regulations do not exist, administrative rules, in the old sense of that term, can no longer be resurrected, and from a practical standpoint, the system of wage agreements does not function. Accordingly, the competent ministry believes that the elements of guarantee in ET agreements should be reinforced. Such reinforcement could take place, for example, by establishing legal requirements obligating employer interest groups to initiate negotiations, and also by having the ET establish a mandatory rule of conduct prescribing that the rate of wage increases to be realized fall between the minimum wage increase, and the recommended average wage increase.

This is how things should be. But this is not how things are going to be. Things will not happen this way, because, however well considered, a wage policy concept which can be implemented in practice in the course of a year does not exist. In other words, the concern is that all efforts made by the competent ministry in this regard amount to none other than part of routine governmental work, which, in the end, could be regarded as the semblance of work only.

**[Box, p 14]**

**Earnings Ratios**

The income of employees at institutions supported by the state budget, in comparable work functions, is about 30 percent lower than in the entrepreneurial sphere. This was the situation last year; one cannot tell to what extent the new public employee promotion system in force since 1 January is going to improve this situation. Leave it for the future. Next year. When the new pay system becomes mandatory, but the central funds allocated for this purpose (3 billion forints) is very little.

Within the lagging public sphere, education and health care workers lag farthest behind. The situation in the cultural field and in government administration is somewhat more favorable.

In general, earnings at institutions maintained by local government are far lower than in workplaces financed by the central budget.

Earnings ratios are relatively even in a majority of the branches of the entrepreneurial sphere (even in the absence of a separate wage policy concept), but it is remarkable that as compared to average earnings, the income of persons working in the financial field is extremely high.

Considering the organizational form of employers, the earnings situation is most favorable at stock corporations, and worst in the cooperative sector.

**[Box, p 15]**

**Only**

One cannot tell what kind of wage policy concept the government is going to have, but it is certain that this future concept is going to be preceded by precise professional preparation. The competent ministry took pains to remind the government that one should begin developing next year's wage policy

—*only* with due regard to the economy's capacity to carry the burden,

—*only* by keeping in mind wage policy commitments made previously,

—*only* by taking into account the tolerable (!) extent of differentiation,

—and *only* by taking into account the possible system of methods.

If things do not move after all this....

## Raising of Automobile Import Quotas Expected

*95CH0014C Budapest FIGYELO in Hungarian 29 Sep 94 p 8*

[Unattributed article: "Automobile Imports; Exhausted Import Quotas"]

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[FBIS Translated Text] Hungary has an estimated number of 2.5 million cars; of these 1.95 million have their origins in the so-called [former] CEMA [Council for Mutual Economic Assistance] countries. This somewhat surprising information was announced at the Hungarian Automobile Importers Association's press conference, where we also learned that this year 44 percent more cars, and 23 percent more utility vehicles were sold than during the same period last year. During the past eight months members of the Association sold 48,000 new cars, and 7,200 new utility vehicles. Within these overall figures, the sale of small vehicles has increased by 93 percent or 9,500 cars, and sales in the lower bracket of medium-size cars has increased by 44 percent (33,000 cars), while sales declined in the rest of the categories.

The importers almost fully utilized the import quota authorized for this year: Based on this, the Association believes that it would be realistic to increase the new car import quota next year from this year's 68,000 cars to 80,000 cars. KERMI [Commercial Quality Control Institute] was the subject of strong criticism at this conference: The importers believe that the often three-months-long examination procedure for new motor vehicles is unwarranted, senseless, and arbitrary. In the Association's view, a technical examination by the Transportation Superintendency would be sufficient, while KERMI would do better concentrating on the used car market. The Superintendency issues the necessary type certificates in three or four days.

Importers pin high hopes on the upcoming new customs law. Based on this law, the upper value limit for private purpose free imports would be 1,250 ECUs, (presently about 160,000-170,000 forints). Above that limit, products within the appropriate category (thus, for example, motor vehicles) would be subject to permits, as a result of which the number of "gray" imports could be reduced, the Association hopes.

## Increasing Role of Private Medical Practices

*95CH0014A Budapest BESZELO in Hungarian 6 Oct 94 pp 13-14*

[Unattributed article: "Private Practices"]

[FBIS Translated Text] Privatization, already begun in the healthcare field, must continue for the sake of professional and economic efficiency; the multisectoral approach and the sector-neutral outlook must be reinforced. "The ratio and role of state property must also be decreased in the healthcare field," according to a September 1994 report prepared by the Ministry of Public Welfare, the ministry responsible for providing professional oversight in the healthcare field. The number of former local government employee physicians who became independent family physician practitioners has increased from 143 to 1,835 between November 1992 and November 1993. This kind of change is strongly encouraged by the Health Care Fund [OEP], the chief supplier of funding for healthcare providers. In contrast, the OEP exercises more caution when it comes to medical enterprises that expand their scope of services, or increase their capacities. Starting in 1993, new undertakings received only 1.2 billion forints from the OEP's 137 billion forint budget; these were "accepted" by the health insurer, i.e., the OEP made payments to these just as it did to state and local government institutions. To determine whether this amounts to much or little money, suffice it to say that only 19 million forints were allocated for the development of the school physicians' network.

### 'Hard Capital, Good Leadership, and a Deep Breath....'

Ilona David, the head of the International Health Service (IMS) said this when this newspaper asked: What does a Hungarian healthcare practice need today in order to be successful? It appears that the IMS has all three of the needed factors. In any event, the first private therapeutic center established in the country has withstood increasingly keen competition in a still amorphous market for more than three and a half years.

The idea of establishing a wholly foreign-owned (Israeli) healthcare limited liability corporation emerged in 1989, to satisfy the increasingly diverse healthcare needs, in addition to, or in parallel with state healthcare providers. The two owners—an Israeli chief physician, and Ilona David, (who had previously been the manager of the largest private hospital in Israel)—had two choices: They would either work in the framework, or as part of an already existing state healthcare center or establish an independent institution that would coexist with the state. After considering the prevailing circumstances at the time, they chose the latter alternative.

The firm that began delivering basic services in January 1991 has, so far, undergone a four-stage development. Its basic activity is prevention, an approach still in its infancy in Hungary. The IMS performs screening tests and provides basic and specialized healthcare provisions based on these tests. In the beginning, firms entering into contractual relations with the IMS utilized only the screening services, claiming that it was not worth the money to obtain the rest of the services. For this reason, a year and a half ago the IMS introduced a monthly flat rate of 2,000 forints, providing unlimited access to basic and specialized care in case of illness. About 300 people subscribe to the system by now, and the system is going to be developed into a supplementary sick-fund, as authorized by law in December 1993.

A computerized cardiology system using telephone lines—a unique system in Hungary—has been introduced for heart patients in 1993. Today, it takes an average of nine hours before a person with heart complaints sees a doctor. This small and easy-to-use "thing" reduces the waiting period to 40 minutes. A heart patient or other user can purchase a portable EKG for between $350 and $700, pay 2,500 forints per months for services available around the clock, and transmit via telephone the EKG chart converted into audio signals to the center

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operating at the IMS. A specialist at the IMS center evaluates the data (with the help of the patient's easily retrievable medical record), and takes action, if necessary. He can even alert an ambulance.

Around the clock duty at the IMS has also established the foundations for new urgent care. Before, patients in urgent need of medical care usually called in to avoid the usual standing in line at the doctor's office. Today, the 300-square-meter doctor's office is also prepared to intervene on a case-by-case basis. In essence, the staff—numbering 50 by now, most of whom work at the IMS as their second jobs—provides a full array of services, ranging from the largest variety of diagnostic methods, through opthalmology, all the way to laser surgery. But they still must cooperate closely and in a correct manner with hospitals, because, for now, they have no patient beds.

Ilona David believes that many positive developments in healthcare provision have taken place during the past four years, and especially during the past six months, even though patients do not yet sense this. She believes that one could conceivably find it worthwhile to pursue private medical practice as part of a state hospital. The introduction of the family practitioner system is the decisive element of this change; it provides an incentive to physicians to heal people. The IMS, whose patients include equal numbers of foreigners and people from Hungary, has entered into an agreement with the social security administration, and for the first time since its establishment, the firm also receives funds in the form of tokens ["kartyapenz"] for providing services to Hungarian citizens. Another favorable change from the IMS' standpoint is the fact that beginning this year, private medical firms will be able to request funds more than once a year to finance their annual budgets: The Social Security Administration has introduced a competitive system to support goals deemed to be most important. As part of this, the IMS is seeking funds to support home care provider services, to supplement active hospital care. The number of patients seeking active hospital care has increased due to the new financing system. (Thus the chances for the twice-rejected central financing of their computerized cardiology system might be improving. Like rejected applications for funding submitted by others, the rejection of the IMS applications was not supported by rational argument either.)

They are not concerned about the growing and lively competition. In many instances, competition disappears as fast as it appears. The IMS does not intend to be part of the bumper crop of advertisements; they are building on their marketing efforts instead. Anyone who expects quick financial success based on medical service provisions will be disappointed, they say.

In today's world, investments in health care are recovered in 5-7 years, on the average. In Hungary, the same period is 7-10 years. The deep breath mentioned in the title is needed to endure this time period.

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### Olechowski on Verge of Withdrawing Resignation

*BR3110104294 Paris LE FIGARO in French 31 Oct 94 p 6*

[Interview with Foreign Minister Andrzej Olechowski by Christophe Turowski; place and date not given: "Poland: Olechowski Withdraws His Resignation"]

[FBIS Translated Text] *A protege of Lech Walesa in a government dominated by former communists, Polish Foreign Minister Andrzej Olechowski tendered his resignation in the evening of 27 October to Prime Minister Waldemar Pawlak. Against an agitated political backdrop less than a year away from the presidential election, the commotion caused by this rising star of Polish politics has demonstrated the fragility of the government coalition. Is this a publicity drive by a "presidential contender" who has already been mentioned in the polls? Is it a gauntlet thrown down in the race for the Belweder palace? Is it an effort to have his hands free when faced with the accusation of corruption made by the justice minister? As spectacular as it is, the resignation announced by Andrzej Olechowski may not be final. He explained himself to LE FIGARO and also replied to the prime minister, who held out his hand on 28 October: "If Olechowski does not withdraw his resignation," Pawlak explained to the agency PAP, "I will be forced to accept it."*

[Turowski] You are one of the most popular men in Poland. Is this resignation irrevocable?

[Olechowski] Prime Minister Waldemar Pawlak recently asked the Constitutional Court for the interpretation of the law regarding my case. While awaiting the decision, I am on the verge of withdrawing my resignation because I am perfectly well aware of the consequences it could have. However, I must defend my reputation vis-a-vis Polish public opinion. Because I am certain of my innocence, I will never tolerate accusations of corruption. I am defending myself on my own. There is no political party behind me.

[Turowski] Are you worried about the stagnation of the reforms and the return of the communist elite?

[Olechowski] Everyone agrees on the aims: a market economy, democracy, and opening up to the Western world. However, there is a stormy debate on how to achieve them.

[Turowski] What is your opinion on the dramatic televised speech by President Walesa, who criticized the government's opposition to change and advocated a strong government?

[Olechowski] I did not think it was all that dramatic. It was a warning because, from time to time, the rule-of-law state is called into question. The president mentioned the objectives, which must be subjected to a public debate. We are on the eve of a constitutional referendum. The Polish people will have to choose an appropriate legislative and executive system. The president wants to draw people's attention to this essential topic.

[Turowski] He came out in favor of a presidential system. Do you share his opinion?

[Olechowski] I am in favor of a well-thought-out balance between the legislative, executive, and judicial powers. After years of totalitarianism, returning to a quasi-dictatorial or authoritarian regime is always dangerous.

[Turowski] According to the polls, you are a presidential contender for the election to be held next fall. Do you intend to run?

[Olechowski] As long as Lech Walesa is running, I am not. I must be loyal to the president.

### Suspends Resignation

*LD3010191394 Warsaw TVP Television First Program Network in Polish 1830 GMT 30 Oct 94*

[Relayed by Warsaw TV Polonia Network]

[FBIS Translated Excerpt] Minister of Foreign Affairs Andrzej Olechowski has suspended his resignaton until such time as the dispute over the interpretation of the regulations relating to the drawing of remuneration by state officials from several sources is resolved. Two days ago, Prime Minister Waldemar Pawlak addressed a request to the Constitutional Tribunal to issue a ruling on this matter. The head of the Foreign Ministry has nonetheless made the reservation that he will return to his resignation application if the conflict that, as he put it, is a scandal and is bringing harm to the government and to Poland is not resolved by the end of the year, or if the court rules that Minister Olechowski did break the law. [passage omitted]

[Unidentified correspondent] According to the head of the Justice Ministry, the law of 1981 on people holding leading state posts bans state officials from drawing remuneration from a number of sources. In the view of the head of the Foreign Ministry, the ban solely relates to the drawing of separate wages for holding two or more public posts, whereas work in a company is not, in his view, a public post. In a statement issued today, Minister Olechowski expressed regret at the fact that the prosecutor general had not commenced his action from a clarification of these legal doubts but had publicly accused him of breaking the law.

### To Stay If Accusations Lifted

*LD2810223794 Warsaw Third Program Radio Network in Polish 2100 GMT 28 Oct 94*

[FBIS Translated Text] If the accusation of my dishonesty disappears or a deadline for the unequivocal clarification of this case is set, the reason for my resignation also disappears. This was stated in Tirana by Polish Foreign Minister Andrzej Olechowski.

The prime minister has announced that, if the foreign minister insists, he will have no other option but to

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accept his resignation. Our correspondents asked Minister Olechowski if he would insist.

[Begin Olechowski recording] I like what I am doing. I want very much to accomplish the matters that all Poles have on their minds. I also have a feeling that certain matters are progressing well. It was not I who thought out the reason for my resignation. I was not urged to resign. I have no other reason other than that my credibility and my integrity have been undermined. If these should disappear or a deadline for and the manner of an unequivocal clarification of all of this is set out, the reason for my resignation disappears, of course.

I have been termed a thief, a person who stole money. If somebody takes money unjustly, he is a thief. If it is established that I am not a thief, or if it is established that I am a thief, after all, but not by someone who just happens to be passing by and shouts but, rather, by a competent body such as the courts, I do not have other motives or reasons for resigning. This is the only reason, and I am sticking with it. But, if it turns out that I am a thief, that is another matter. [end recording]

### Olechowski Not To Run Against Walesa in Election

*LD2910085494 Warsaw PAP in Polish 0021 GMT 29 Oct 94*

[FBIS Translated Excerpt] Warsaw, 29 Oct—According to Foreign Minister Andrzej Olechowski, "It is too early to talk about the presidential campaign," but "I will not run in the presidential election against Lech Walesa." Olechowski was answering questions after his return from Tirana on Friday night. Journalists asked Olechowski if he was going to run in the presidential election after his resignation a day before.

"I am loyal to the president. There are certain rules. There were too many examples of people who climbed on Walesa's back to get something and later turned against him," Olechowski said. [passage omitted]

### Olechowski To Take Part in 31 Oct EU Meeting

*LD2910112994 Warsaw PAP in Polish 0939 GMT 29 Oct 94*

[FBIS Translated Excerpt] Warsaw, 29 Oct—During a meeting of foreign ministers of the Twelve, as well as four states that will join the European Union [EU] at the beginning of 1995 and six Central and East European states that signed association agreements with the EU, one of the problems discussed will be the organization of contacts between the EU and the associated states. The meeting will take place on 31 October in Luxembourg and Foreign Minister Andrzej Olechowski will take part in it.

The EU strategy to prepare the associated states for their membership will be discussed during the session. Its final draft should be accepted by the EU's leaders at the December summit in Essen. [passage omitted]

### Pawlak Demands Full Report on 'Clean Hands'

*LD2810161494 Warsaw PAP in Polish 1518 GMT 28 Oct 94*

[FBIS Translated Text] Warsaw, 28 Oct—Prime Minister Waldemar Pawlak today officially asked Wlodzimierz Cimoszewicz, deputy prime minister and justice minister, for materials concerning the results of the "clean hands" operation, as presented to the Sejm. The prime minister said that he has not received the official report on the case.

The prime minister told PAP that also today he asked the Constitutional Tribunal to rule on whether it is a breach of the law for civil servants seconded to various companies to represent the interests of the State Treasury to receive additional financial benefits for that.

The prime minister also said he has asked the Legislative Council attached to the chairman of the Council of Ministers to present draft solutions unequivocally regulating the issue, so that official representatives of the State Treasury who protect public interests act in an unequivocal and clear legal situation.

"I informed Minister Olechowski about these actions and if, in spite of the information, he does not withdraw his resignation, I will have to accept it," the prime minister announced. Minister Olechowski's official resignation reached the prime minister on Thursday evening.

### Methodology in Investment Risk Map Explained

*95EP0006A Warsaw GAZETA BANKOWA in Polish No 36, 3 Sep 94 p 16*

[Unattributed article: "Investors Vote With Money"]

[FBIS Translated Text] To design the illustrations of investment risk cited in the adjacent articles [the following three articles in this publication], the team of the Institute for Research Into the Market Economy employed various analytic techniques and statistical methods, whose description would bore the reader. One of the factors used to rank the countries was the opinions of 20 big Western investors operating on the markets of at least several of the countries studied, and eight international consulting firms. But, when the ranking of the voivodships had to be prepared, 156 Polish-foreign mixed ventures were polled.

The views of the "internationalists" are reflected in the article to the right of this one ["Regional Investment Map Updated: Poland Lags"]. The opinions of the investors and the consulting firms generally coincided, with the exception of the appraisal of Slovenia, which the consultants praise more than do the industrialists and traders.

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To us, certain findings deduced from the questionnaire sent to 156 joint ventures operating in Poland are more interesting. Nearly 70 percent of these companies arose after the year 1990, and two-thirds of them employ up to 20 persons each. Likewise, two-thirds do not repatriate their profits abroad, while nearly one-fourth repatriate all of their profits (this goes for a majority of the joint ventures in Szczecin Voivodship). A majority (55 percent) do not export their products. About one-half claim that in Poland they have numerous competitors in their own fields, and 65 percent expect much sharper competition in the near future.

Only 13.7 percent of the respondents view the Polish tax system as more advantageous than in their countries of origin. As could be expected, the managers of these companies complain most often about the telephone service in Poland but are satisfied with the transportation infrastructure.

Until recently, as we remember, the inefficiency of the Polish banking system had been viewed as a major impediment to the influx of investments. Nowadays, opinions about Polish banks are definitely higher. Ninety-eight percent of the companies polled are availing themselves of the services of our banks. Exactly one-third of these companies view the qualifications of bank personnel as high, and about 56 percent as average. When selecting a bank, the companies guided themselves chiefly by its convenient siting (53 percent) and advertising (47 percent).

The managers of these companies do not clearly identify the factors decisive to their siting. Here a combination of circumstances plays a role: availability of skilled workers, relatively low labor costs, nearness to supplies of raw materials, attractiveness of natural environment, and so forth. Besides, the companies are potentially mobile because three-fourths of them lease rather than own their offices, which is somewhat due to the high cost, as they see it, of buying real estate. When asked in which locations they would most like to invest, they named chiefly large industrial cities, and their indications were basically consonant with the ranking of voivodships (with Warsaw, Gdansk, and Poznan named most likely).

## Regional Investment Map Updated: Poland Lags

*95EP0001A Warsaw GAZETA BANKOWA in Polish No 36, 3 Sep 94 pp 1, 16-17*

[Article by Alawomir Lipinski, compiled by SL. The team of risk researchers was headed by Dr. Zbigniew Dworzecki, and the coordinator of the report as a whole was Dr. Janusz M. Dabrowski: "The Runner is Short of Breath: Ranking of Investment Risks for Countries, Regions, and Subsectors: We Are Lagging Behind Our Competitors"]

[FBIS Translated Text] Risk is an inseparable element of any business activity. Were it simple to measure, the most eminent managers would not be talking so much about the role of intuition in decisionmaking. It is also easier to determine the risk of a particular project than of a macroeconomic one. The latter objective was tackled, as commissioned by the Polish Development Bank, Inc., by a team of associates of the Institute for Research into the Market Economy. In GAZETA BANKOWA No. 40, 1993, we summarized that team's first report under the title "Map of Investment Risks," and now we present below the findings of the second report.

For the past few years, an overt rivalry for the name of "leader in changes" and for primacy in stability has existed among the countries of Central-East Europe. In addition to the gratification ensuing from praise, such an opinion has measurable worth in terms of money, especially in the form of an influx of foreign investments.

The first part of the report deals precisely with a comparison of the investment risk and attractiveness of eight (three more than last year) countries in our region.

### Progressive Habituation

The table below presents a ranking of these countries according to a composite risk indicator, on showing the findings obtained in a previous study. This composite indicator is the result of assessments of the legal and organizational conditions of investing in a given country, the macroeconomic indicators attained by that country, and polled opinions of foreign investors and international consulting firms.

**Indicator of Investment Risk***

| | Risk Level | |
|---|---|---|
| | Jul 93 | Jan 94 |
| Former GDR | 2.1 | 1.8 |
| Hungary | 2.8 | 2.5 |
| Czech Republic | 3.0 | 2.7 |
| Poland | 3.15 | 3.0 |
| Slovakia | 3.7 | 3.2 |
| Slovenia | | 3.25 |
| Romania | | 3.8 |
| Bulgaria | | 4.0 |

*Composite indicator, on a 5-point scale, where 5 denotes the highest risk. (For Slovenia, Romania, and Bulgaria, it was measured for the first time.)

*Source: Institute for Research of the Market Economy*

It can be clearly seen that, although barely half a year has elapsed since the earlier study, all of the countries have this time gotten better marks. Probably the most important factor here, other than the ordering of legislation and the opening to the world in all these countries, is that investors are getting accustomed to the new system of society in our region of Europe. As the turning point recedes in time, we are becoming more and more normal. But it is readily observed, as well, that Poland is

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situated in the middle of this chart, and our progress has been slower than that of our competitors.

All of these independent countries have hardly a chance of soon becoming less risky than the eastern portion of the FRG, which is decidedly ahead of them, with an indicator of 1.8 (on the 5-point scale, where 5 denotes the highest risk). Poland is now ranked fourth (3.0), behind Hungary (2.5) and the Czech Republic (2.7).

### Farther East

It is interesting that the weakening of our standing to some extent vis-a-vis our competitors has not been markedly due to the fact that the new Polish governing coalition is leftist. What is more, in the opinion of the investors themselves and consulting firms, the level of political risk for Poland has even dropped in comparison with July 1993 (a decline to 2.6 from 3.6). Perhaps the decisive fact was that what used to be a risk, meaning a change in the ruling coalition, did indeed take place, but without any evident—at least immediately—negative consequences. Even so, the political risk for Poland has remained at a somewhat higher level than for the Czech Republic and—then existing just before the election—Hungary (2.3 each).

Poland's weaker standing is also due to the high social risk (2.6), surpassed only by Romania's (2.7). Social risk is here construed as the attitude of public opinion toward foreign investments, the barriers ensuing from cultural differences, the threat of social conflict, and an imbalance in relations between employers and employees. To put it briefly, Poland is viewed as a country with too strong trade unions and one culturally situated farther east than the Czech Republic and Hungary.

According to Janusz M. Dabrowski, who coordinated this research, in the case of international comparisons, the attractiveness of a given country to investors is not just a mere converse of investment risk.

### Attractive and Unattractive

Among the various factors defining the attractiveness of a given country to investors, as analyzed in the report, of principal importance is the system of organizational and legal solutions in the economy (including precisely regulations that concern investors) and the capacity and importance of the local market to the global strategy of investors. This latter factor is, as might appear, partially objective. We often stress that our country has nearly 40 million consumers, many more than for our competitors to the south. However, the investors polled believe that our market has turned out to be more shallow than they had thought. To be sure, we continue to lead the eight countries in market attractiveness, but, within as little as a half-year since the previous study, our predominance in that respect has shrunk drastically, so that at present, to employ a comparison with a track and field event, the leader in the race can practically be determined only by means of a photo finish.

### It Is Worth Trying

The attractiveness of a country is also determined by its rulers by, among other things, the organizational and legal conditions afforded to investors and the degree of the liberalization and openness of the economy. In that respect, Poland ranks in the middle, in fourth place, behind the eastern part of the FRG, Hungary, and the Czech Republic.

We are the losers, especially as regards the preconditions posed to investors, duties, taxes, availability of land, and starting conditions (see table). According to the authors of the report, while Poland's position in these respects has remained unchanged since the previous study, the other countries scored advances during the intervening period.

**Attractiveness of Selected Countries**

| | Former GDR | Hungary | Czech Republic | Poland | Slovakia |
|---|---|---|---|---|---|
| Preconditions | 1 | 2 | 2 | 3 | 4 |
| Accessible organizational forms | 2 | 2 | 2 | 2 | 2 |
| Accessible industries | 1 | 1 | 3 | 2 | 3 |
| Taxes | 1 | 2 | 3 | 3 | 4 |
| Duties | 2 | 4 | 3 | 4 | 4 |
| Banking system | 2 | 3 | 3 | 3 | 3 |
| Access to information | 1 | 2 | 3 | 3 | 3 |
| Access to land | 1 | 2 | 4 | 4 | 4 |
| Privatization processes | 1 | 2 | 3 | 3 | 4 |
| Starting conditions | 2 | 2 | 2 | 3 | 3 |
| Average attractiveness | 1.4 | 2.2 | 2.8 | 3.0 | 3.5 |
| Ranking | I | II | III | IV | V |

Point scale of evaluation: 1—very high attractiveness; 2—high; 3—average; 4—adequate; 5—low.

*Source: Institute of Research into the Market Economy*

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In a nutshell, on the risk map for the countries of Central-East Europe, we are in the middle, and it is a menace that, within barely half a year, the attractiveness of our competitors in procuring capital has grown at a more rapid rate, and, if we continue to lose the predominance we gained earlier and fail to more effectively promote our country abroad, the already evident disproportions in the location of capital investors will deepen to our disadvantage.

## Industry Investment Map, Competitiveness Rated

*95EP0001B Warsaw GAZETA BANKOWA in Polish No 36, 3 Sep 94 pp 16-17*

[Article by (L): "Effectiveness, Structure, Surroundings"]

[FBIS Translated Text] The second segment of the map of investment risks is represented by a study of 131 industrial subsectors and 87 nonindustrial ones. The former are classified from the standpoint of both risk and, separately, their competitiveness on the international arena. Risk was evaluated according to three kinds of variables—that is, effectiveness, the structural factor (e.g., energy-intensiveness as conditioned by technology), and the institutional factor (specific regulations, e.g., tax laws). The indicator for a subsector is averaged for all of the enterprises constituting a given industry, and these are classified in five categories of risk, from low risk through average to better than average, high, and very high.

### Many Category Shifts

A comparison of the current ranking of subsectors with that established in the previous study indicates that the Polish economy is still relatively unstable and the standing of the subsectors varies, although shifts from one risk category to another are rare. The low-risk category contains 23 subsectors (about every sixth subsector), with the leading ones being as follows (with rank established in previous study shown in parentheses):

1. Oil milling industry (5)
2. Power and heating industry (16)
3. Network and sales units (24)
4. Porcelain industry (17)
5. Bakery industry (20)
6. Food concentrates industry (1)
7. Refinery industry (2)
8. Confectionery industry (12)
9. Inorganic chemical engineering (6)
10. Steel scrap processing (33)
11. Cement (21)
12. Pharmaceuticals (7)
13. Brown coal (4)
14. Herbs (8)
15. Lime and gypsum (43)

Of the 14 subsectors classified as low-risk in the previous study, eight remain so classified, five have dropped from low to average, and one, the matches industry, even dropped into third category (high risk). As for those subsectors elevated to the low-risk category in the second study, their elevation has been due to, among other things, the increases in official energy prices.

There were fewer changes in the lowest category (very high risk), which also accounted for about one-sixth of all subsectors (24). The tail-end subsectors in that category are ranked below in downward sequence:

131. Aviation industry (129)
130. Tractors (131)
129. Light-industry machinery (130)
128. Computers (128)
127. Shipping industry (127)
126. Machine-building (125)
125. Optical (126)
124. Wool (122)
123. Farm machinery (123)
122. Sulfur mining (114)
121. Furriery and leather garments (92)
120. Bast fiber (121)
119. Machine tools (113)
118. Footwear (110)
117. Cotton (119)
116. Mining machinery (105)
115. Chemical-equipment machinery (100)

A subsector average means that even the lowest ranked subsector contains enterprises that perform quite well financially. This may be exemplified by the Szczecin Shipyard, Inc. Similarly, one example of an institutional measure that markedly affects the standing of a subsector could be the recent administrative restriction of imports of old farm machinery, as a result of which the farm machinery industry may be ranked better in the next study.

### International Competitiveness

Also interesting was the part of the study dealing with the international competitiveness of the subsectors (as determined by the so-called DRC method), meaning that the surplus value of a given subsector in world prices was compared with the value of consumed domestic resources. The internationally competitive group was found to contain 31 subsectors, headed by, among others:

1. Copper-metallurgy industry
2. Wooden packaging
3. Flour milling and macaroni making
4. Hoisting and transportation equipment
5. Sugar industry
6. Fur and leather-garment industry
7. Cable and wire
8. Remaining food industry
9. Iron and steel
10. Motorcycle and bicycle industry
11. Food concentrates
12. Bakery

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13. Confectionery
14. Fruits and vegetables
15. Potatoes
16. Furniture
17. Remaining leather industry
18. Medical and veterinary equipment
19. Brewery
20. Automotive

As is readily seen, the most internationally competitive subsectors include the fur and leather-garment industry, which paradoxically enough was classified in the highest risk category.

Conversely, the oil-milling industry, classified in the lowest risk group, was found to be the least internationally competitive, along with "Remaining wood products industry," which is difficult to understand if only in view of the high internationally competitive ranking of the wooden-packaging industry or the furniture industry (ranked 16th).

An innovation is the classification of investment risks for nonindustrial subsectors, such as construction, trade, transportation, and services.

**Not Only Industry**

In this case, only three risk categories were distinguished. The best category included, among others, academic and vocational institutions (in this country, there operate several hundred management-training centers), storage and security companies (which employ dozens of thousands of people), seaports, radio and television studios, health resorts, computer services centers, and several branches of municipal services. The worst category was found to include the subsectors providing agricultural services and some subsectors servicing construction and transportation.

The team performing the subsector study was headed by Dr. Bohdan Wyznikiewicz.

## Poland 'A,' 'B' Division Intensifies

*95EP0001C Warsaw GAZETA BANKOWA in Polish No 36, 3 Sep 94 p 17*

[Article by (S): "Toward the Center: The Division Into Poland A and B Is Becoming Perpetuated"]

[FBIS Translated Text] The attractiveness of individual voivodships to investors was ranked by comparing 19 features. The features considered included: communications and transportation infrastructure, saturation with financial institutions, capacity of local market, manpower resources, degree of environmental contamination, advancement of transformations as reflected in extent of privatization of the economy, business climate, and so forth. Speaking in general, as illustrated by the map below [not reproduced here], a division into Poland A and Poland B is perceptible, meaning more or less a division into western Poland, which gets better marks, and eastern Poland, which is traditionally poorer, with the exception of Warsaw Voivodship itself, which definitely ranks at the top. In addition, the consequences of the previous administrative division of this country, binding until 1975, can be seen, because the voivodships created around the 17 coeval "great voivodship capitals" are definitely ranked more highly than the new voivodships (with the exception of three that get good marks: Bielsko, Slupsk, and Leszno). Ranking of the Investment Attractiveness of Polish Voivodships:

Class A: Gdansk, Warsaw, Katowice

Class B: Szczecin, Wroclaw, Lodz, Krakow

Class C: Koszalin, Slupsk, Bydgoszcz, Leszno, Olsztyn, Lublin, Bielsko-Biala

Class D: Pila, Gorzow Wlkp., Zielona Gora, Legnica, Konin, Kalisz, Opole, Walbrzych, Czestochowa, Kielce, Nowy Sacz, Rzeszow, Krosno, Tarnobrzeg, Chelm, Siedlce, Bialystok, Lomza, Suwalki, Elblag, Torun

Class E: Wloclawek, Sieradz, Piotrkow Trybunalski, Radom, Tarnow, Przemysl, Zamosc, Biala Podlaska, Ostroleka

But, while this ranking is concerned with voivodships, what matters chiefly to investors is cities and their environs, with the possible exception of the border regions (for the time being, to the west and the southwest) and various points in the planned highway system.

There exist regional differences that are difficult to surmount owing to the past, but it is largely the local governments that decide on the pace of the transformation of the local economies (privatization, vigorous private sector, growth of nonstate schools). In such ranking, voivodships such as Tarnow, Leszno, and Krosno stand quite close to the consistent leaders in all 19 features (the Warsaw, Gdansk, and Poznan voivodships).

The team analyzing the regional differences was headed by Dr. Krystyna Gawlikowska-Hueckel.

The 125-page report is available at the PBR, Inc., in Warsaw. Phone: 630-82-11.

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### Butrus-Ghali Arrives; Welcomed by FM Melescanu

*AU2710153994 Bucharest Radio Romania Network in Romanian 1400 GMT 27 Oct 94*

[FBIS Translated Text] UN Secretary General Butrus Butrus-Ghali arrived in Bucharest today on a three-day visit as part of a tour of several European countries. The high-ranking guest was welcomed at the airport by a delegation led by Romanian Foreign Minister Teodor Melescanu. Romania's UN Ambassador Ion Gorita was also present.

In a press statement on arrival, Mr. Butrus-Ghali expressed satisfaction at his first visit to Romania and said that this visit will contribute to strengthening our country's ties with the world organization, as Romania is an important UN member. In this respect, the UN secretary general emphasized our country's contribution to peace on the continent and the peacekeeping troops in Somalia and, last but not least, the contribution of the Romanian field hospital in Somalia, which he had visited in Mogadishu.

The program of the visit envisages meetings with President Ion Iliescu, the presidents of the two Chambers of Parliament, and the prime minister as well as talks with the foreign minister and the minister of national defense.

Next Saturday [29 October], the high-ranking guest will be awarded an honorary doctorate by Bucharest University.

### Addresses Parliament

*AU2710172594*

[FBIS Editorial Report] Bucharest Radio Romania Network in Romanian at 1527 GMT on 27 October begins a live relay from the Romanian Parliament in Bucharest of a joint session of the Senate and Chamber of Deputies, on the occasion of UN Secretary General Butrus Butrus-Ghali's scheduled address.

According to the correspondent, Adrian Nastase, president of the Chamber of Deputies, opens the session, welcomes the guest, and says that his visit to Romania will "offer an opportunity to examine the highly topical problems with which an extensive region adjacent to Romania is unfortunately faced." After assuring the UN secretary general that "Romania, which has actively and devotedly supported the generous UN principles, is an important pillar of stability in this turbulent region in Europe," Nastase invites Butrus-Ghali to take the floor at 1530 GMT. The UN secretary general speaks for 37 minutes in French, with consecutive translation into Romanian.

Butrus-Ghali begins by emphasizing the "important role played by Romania over the past 40 years at the United Nations." After praising the "essential participation of Romanians in various peacekeeping forces," the speaker elaborates on the "important" role of the United Nations in a world, which has "recently passed from a state of euphoria, in the wake of the fall of the Berlin wall, to a state of uncertainty," with new sources of tensions replacing the old ones, such as "wars, exclusions, hatreds, and ethnic or religious conflicts." Pointing out that the current main concerns of the international community are with "peace, development, and democracy," Butrus-Ghali proceeds to explain the UN strategies in the attainment of these goals; in this respect, he thanks the Parliament for the activity of the Romanian field hospital in Somalia. Referring to development issues, he says that this is a worldwide concern, "going beyond the North-South dialogue" and that the ultimate goal is to "define a new social pact, at the international level," in order to promote "real economic and social development." He adds that the "future international order must be fully based on the values of democracy, both in relations among states and within each state." In this context, he says that he is happy that "Romania was able to enjoy UN assistance in the organization of the parliamentary and presidential elections of September and October 1992."

Butrus-Ghali says that "I would like to emphasize the exemplary character of the Romanian Constitution of 8 December 1991, which devotes no less than 40 articles to basic rights, freedoms, and duties." He adds that "nevertheless, we must go further and the United Nations should be in a position to grant technical assistance to its member countries, so that the latter can adjust their institutions and educate their people in order to have the proper kind of personnel support. I would like to emphasize the importance of setting up independent justice administrations; an army that observes the rule-of-law state; a police force that can guarantee public freedoms; and a public education system, in keeping with the promotion of human rights."

Butrus-Ghali concludes his speech, thanking his audience for their attention. Adrian Nastase thanks the guest for his "kindness in coming before the Romanian Parliament and talking about the great commandments of history and UN tasks."

### Defense Minister on Hungarian Military Relations

*AU2810135794 Budapest NEPSZABADSAG in Hungarian 26 Oct 94 pp 1,3*

[Unattributed report on interview with Defense Minister Gheorghe Tinca in Bucharest; date not given: "Antonescu Was An Outstanding Soldier"]

[FBIS Translated Text] The Army Day in Romania is celebrated every year on 25 October in memory of the recapturing of Nagykaroly [Carei], the last leg of "the struggle for the liberation of Northern Transylvania occupied between 1940-1944." On the occasion of the 50th anniversary of this date, Romanian Defense Minister Gheorghe Tinca gave an interview to NEPSZABADSAG.

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Speaking about the Hungarian-Romanian military relations, relations regarded as exemplary in both Budapest and Bucharest, Gheorghe Tinca said that the reason for the good relations is the fact that both armies keep away from politics and both countries participate in the NATO's Partnership for Peace program. "We cannot be NATO members if there are unsolved problems between us," Gheorghe Tinca pointed out.

Speaking about the Open Skies agreement between the two countries, Gheorghe Tinca pointed out that this confidence-building agreement is a model in Europe today. "I think that further similar confidence-building steps would really carry great weight and importance if they could support a bilateral basic treaty."

He said that he is often asked whether there is any danger threatening Romania from any direction. Generally, he answers this question by saying that the soldiers would be happy if someone showed them this direction. The enemy never shows himself, but it is present in the potential instability in our region.

Asked whether there are any secret military plans for the possibility of ethnic conflicts, plans mentioned by Defense Ministry State Secretary Ioan Pascu, Gheorghe Tinca said the following: "Mr Pascu said that there are such plans. I will neither confirm nor deny this. The Romanian Army plans and develops its tasks in such a way as to defend our constitutional democracy against anyone."

Speaking about the ethnic debates on the political level, Gheorghe Tinca said that he is convinced that these debates can be solved without them entering the army's sphere of interest, because there is an adequate mechanism for such things in Romania, and this mechanism makes it possible to solve these problems through dialogue.

Regarding the press reports on the militarization of the Szekler counties, among other things, Gheorghe Tinca declared the following: "First of all, we only have a mountain infantry brigade stationed there, divided into three battalions: One in Csikszereda, one in Sepsiszentgyorgy, and one in Szekelyudvarhely; and there is another battalion in Gyimesfelsolak. Let me say that it is strange that these battalions, and mainly the one in the Gyimesfelsolak, use the infrastructure built by you after the Vienna Dictate. This proves the strategic importance of this region, and it is a very important area for us, because we are talking about the Carpathian Bend, a region that requires special attention. It is important in the framework of our national defense strategy as a whole. No matter who lives there, be they Gypsies, Romanians, Poles, Hungarians, or others, it is the same from a military point of view. So there is only a brigade there. There are also some military storage facilities and one more unit, but they do not necessarily belong to the aforementioned brigade. This cannot be called militarization, and it cannot be said that a brigade and the storage facilities there can change the demographic balance of this area."

Asked whether he finds it proper that, while constantly mentioning the Horthy-fascism, there is a cult for the fascist Antonescu in Romania, Gheorghe Tinca said the following: Antonescu was an outstanding soldier. He was probably not in the best terms with politics, and he made the mistake of confusing the army with politics and probably failed to place the army above politics, as should be done. The army should carry out the decisions made at the political level. I do not think you have heard anyone in Romania praising Antonescu for cooperating with the Iron Guards in a certain period, probably out of some kind of political need. Antonescu is honored for different things.... He was an honest man and a perfect soldier. This is why he is honored."

Speaking about the series of festivities connected with the anniversary in Northern Transylvania, Gheorghe Tinca pointed out: "There is no animosity whatsoever at these events, and they are not directed against any country, including Hungary."

The modernization of the Romanian Army was a separate subject in the interview. "The basic principle of our army's reequipment is that we will not purchase arms that could upset the balance of forces in this area. But we are following with attention what the others are doing, and we want to be on the same level." Romania is interested in cooperation with Hungary on the modernization of military equipment as well, Gheorghe Tinca said.

When will your visit in Budapest take place, a visit that was supposed to be taking place in September?—was our last question.

"One should not look for any significance in setting the time of this visit. I intend to discuss the timing with Hungarian Defense Minister Gyorgy Keleti in Nagykaroly.... I would like to suggest the first part of November!" Gheorghe Tinca said in conclusion.

### Ex-King Turns Down Timisoara Visit Invitation

*AU3010210894 Bucharest ROMANIA LIBERA in Romanian 26 Oct 94 p 3*

["His Majesty King Mihai's Answer to the Invitation of the Timisoara Municipal Council To Attend the Commemoration of the Revolution, Which Began in This Martyr-City," issued by King Mihai's Secretariat in Versoix on 24 October]

[FBIS Translated Text] His Majesty King Mihai received an invitation from the mayor of Timisoara—on behalf of the Municipal Council—to attend, together with Her Majesty Queen Ana, the commemoration of the democratic revolution, which began five years ago in Timisoara.

In normal circumstances, of true freedom for all, his majesty would have been glad to accept the invitation and go to Timisoara.

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However, as was publicly demonstrated at Otopeni [Airport], the Romanian authorities are constantly opposing, under various pretexts, the physical presence of his majesty on Romanian soil. In these conditions as well as in order to avoid any incident or pretext of incident which could harm the brave population of Timisoara or its representatives, his majesty deems it prudent to leave for later the moment when he will be able to celebrate, in peace and national reconciliation, the way back to total democracy, which can bring freedom, dignity, and prosperity for all Romania's inhabitants.

### PSM Advocates Alliance of Leftist Parties

*AU3010211094 Bucharest COTIDIANUL in Romanian 26 Oct 94 p 2*

[AM PRESS note: "What Can We Expect From the Alliance of Democratic Left?"]

[FBIS Translated Text] Sources of the Socialist Party of Labor [PSM] told an AM PRESS reporter that increasingly more members of that political grouping ask for establishing an alliance of leftist parties, grouping the PSM, the Social Democracy Party of Romania, the Romanian National Unity Party, and the Greater Romania Party. Going by the pattern already used in the other former communist countries, the new alliance could be called the Alliance of Democratic Left.

### SI To Clarify Status of Social-Democratic Parties

*AU3010211394 Bucharest EVENIMENTUL ZILEI in Romanian 26 Oct 94 p 3*

[Andra Aurora Manta note: "The Socialist International Is Clarifying the Status of Social-Democratic Parties in Romania"]

[FBIS Translated Text] A delegation of the Socialist International [SI] led by Vice President Philippe Busquin met yesterday with the leaders of social-democratic parties represented in Parliament.

After the meeting, Philippe Busquin held a news conference, during which he explained the situation of the Party of Social Democracy of Romania [PDSR], the Social-Democratic Party of Romania [PSDR], and the Democratic Party [PD] within the SI. Thus, the PSDR has a consultative status, arising from the historical nature of this political grouping; the PD has a specific status, since it is currently going through the necessary procedures for its admittance to the SI; while the PDSR has not yet applied for the start of the necessary formalities for admittance to this forum.

The conclusions of this visit will be presented in a report to be submitted to the SI Congress, scheduled to take place in Budapest, between 1 and 3 December.

### Parliament Votes To Criminalize Homosexuality

*AU3010210994 Bucharest ADEVARUL in Romanian 26 Oct 94 p 2*

[Lia Bejan article: "Homosexuals Will Be Punished]

[FBIS Translated Text] The Chamber of Deputies voted, by a huge majority, that homosexuals should be punished by one to five years' imprisonment, regardless of the way in which they practice their sexual relations. The House Legal Commission originally adopted an amendment that would have punished homosexuality only if practiced in public, whereas the Senate's version stipulated that homosexuals be punished only if they cause a public scandal. Some claimed that a newspaper could cause a public uproar in such a case. However, those in favor of punishing a violation of Christian morality, namely the deputies of the National Peasant Christian Democratic Party [PNTCD], pleaded convincingly for criminalizing the homosexual act per se; Deputy Mircea Ciumara even wanted to remove the pressure applied on the parliamentarians by the Council of Europe recommendations. "The Council of Europe talks about maintaining the people's moral tradition." This encouraged the attitude of the deputies of the governmental coalition, which have always been in favor of preserving the current amendment of the Chamber of Deputies. Consequently, nothing could then alter the already formulated opinion. Not even the argument of several deputies, that homosexuality should be viewed as a genetic or nature mistake, could have a convincing impact. The fear that "abnormals might lead the nation," as PNTCD deputy Emil Popescu said, prevailed in the end.

One will have to wait for a decision of the Mediation Commission and of the plenum of the joint chambers of Parliament in this respect, in order to solve this controversial problems.

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### Karadzic Orders Serbs To Liberate Bihac

*AU2810215794 Paris AFP in English 2147 GMT 28 Oct 94*

[FBIS Transcribed Text] Belgrade, Oct 28 (AFP)—Bosnian Serb leader Radovan Karadzic on Friday [28 October] ordered a counter-offensive against the mainly-Moslem Bosnian Army on the Bihac front, northwestern Bosnia, the Bosnian Serbs' SRNA news agency reported.

"The aim of this counter-offensive is the liberation of the Serb district of Bihac and of some parts of neighboring districts," said the agency, citing a statement issued by the separatist Serbs' press department.

### Further on Directive

*LD2810223994 Belgrade TANJUG in English 2210 GMT 28 Oct 94*

[FBIS Transcribed Text] Belgrade, Oct. 28 (TANJUG)—Bosnian Serb republic President Radovan Karadzic ordered Friday night a strong counter-offensive against the Muslims forces on the Bihac front, western Bosnia.

The Bosnian Serb news agency SRNA carried a press statement which specified that the aim of the counter-offensive was to liberate the Serb municipality of Bihac and parts of the neighboring municipalities.

Muslim forces seven days ago launched a strong offensive from the U.N.-designated safe haven of Bihac, without inviting any reaction from the U.N. forces in the field.

U.N. spokesman in Sarajevo Tim Spicer said Thursday Muslim units seized some 100 square kilometers east of Bihac, while UNHCR said Friday in Geneva over 7,000 Serb civilians fled the Bihac region.

The statement said president Karadzic, who is supreme commander of the Bosnian Serb army, ordered the counter-attack regardless of [word indistinct] the safe havens, [word indistinct], contrary to international provisions, became strongholds for launching offensives against the Serbs.

The statement said that in keeping with the provisions of international war law, the army of the Bosnian Serb republic would embark on an action to encircle, destroy and expel Muslim forces from the territories of the Serb [words indistinct]

SRNA says Muslim forces Friday continued strong artillery-infantry attacks on the positions of Serb forces in the upper flow of the Una River, in the broader area of Bihac. Citing reports from local Serb forces, SRNA said the Muslim attacks are strongest in the area of Ripac and Rakici.

### Declares 'State of War'

*LD2910181194 Belgrade TANJUG Domestic Service in Serbo-Croatian 1753 GMT 29 Oct 94*

[FBIS Translated Excerpt] Banja Luka, 29 Oct (TANJUG)—Muslim forces today continued their attacks against Srpska republic army [VRS] positions along the entire separation line on the Bihac-Krupa front, the information service of the VRS 2d Krajina Corps in Drvar has announced. [passage omitted]

According to the 2d Corps announcement, Radovan Karadzic, supreme commander of the VRS, has declared a state of war in the area of combat operations in the Corps' operational zone. [passage omitted]

### Conscripts Mobilized

*LD2910191194 Belgrade TANJUG Domestic Service in Serbo-Croatian 1816 GMT 29 Oct 94*

[FBIS Transcribed Text] Belgrade, 29 Oct (TANJUG)—Radovan Karadzic, president of the Srpska republic [RS] and supreme commander of the Srpska republic army [VRS], today declared a state of war in part of the territory of the republic and "the highest level of combat readiness on the entire territory of the RS," SRNA reports.

The statement carried by SRNA says that a state of war has been declared in the area belonging to the operational zone of the Srpska republic army's 2d Krajina Corps. This means that "the aforementioned territory is subject to wartime legislation, and all leave to conscripts is being suspended. Conscripts are to report to their units by midnight on 30 October."

At the same time, the president has introduced "the highest level of combat readiness on the entire territory of the RS," which applies to the operational zones of all the other VRS corps, the air force, and anti-aircraft defense units.

The statement stresses, SRNA reports, that "all military conscripts in the Srpska republic are ordered to report to their units by midnight on 31 October. [date as received]

In the territory in which the state of war has been declared, civilians are banned from leaving their municipality of residence without permission from a mayor, who will adopt such decisions in accordance with the commander of the relevant unit.

Likewise, all military conscripts in the Srpska republic are banned from leaving the territory of the republic without special permission by the Srpska republic defense ministry.

### Vows To Liberate NW Bosnia

*LD3010190194 Belgrade TANJUG in English 1855 GMT 30 Oct 94*

[FBIS Transcribed Text] Belgrade, Oct. 30 (TANJUG)—Bosnian Serb President Radovan Karadzic said Sunday that Serb troops would liberate all territories in northwest Bosnia captured by Muslim government troops this week.

Karadzic told the SRNA Bosnian Serb news agency in the city of Banja Luka, northwest Bosnia, that the

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Bosnian Serb army would '...soon liberate all occupied territories in the northwestern part' of the Bosnian Serb republic.

He said, 'The aggressor must be punished.'

Karadzic on Saturday declared a state of war in the northwestern part of the Bosnian Serb republic and ordered the highest level of combat readiness of all units in the republic.

A several-day muslim offensive has led to the capture of about 150 sq km of Bosnian Serb territory east of the Muslim-held city of Bihac in northwest Bosnia, a United Nations 'safe area.'

Muslim government troops launched the offensive from the Bihac U.N. 'safe area.' 10,000 Serbs have been forced to flee their homes.

### Karadzic: 'No Withdrawal'

*AU3010202694 Paris AFP in English 2015 GMT 30 Oct 94*

[FBIS Transcribed Text] Sarajevo, Oct 30 (AFP)—Serb leader Radovan Karadzic Sunday [30 October] pledged to strike back blow for blow in the Bosnian war and reject any land-for-peace deal in the wake of the latest Moslem offensive.

"The enemy wants war and if the enemy wants it, then it shall have it. There will be no deals on Serb territories. There will be no withdrawal, no giving back of territory if the result of the crisis is a military one," he told a crowd in Bosanski Petrovac in a speech carried by Serb Radio Pale.

Karadzic had travelled Sunday to the western Bosnian town which is now only a short distance from the war front after a government offensive rolled back Serb forces, capturing more than 200 square kilometers (80 square miles). This has been their most successful operation since the beginning of the war 30 months ago.

"Had we made a deal, we could have decided what to give them back," he said.

But "if they want war then we will accept nothing less than 64 percent (of the republic's territory)," he told the crowd which roared back with cries of "hurrah".

"That is all our country and it will remain our country," he said.

The Bosnian Serbs currently hold 70 percent of the country, but claim only 64 percent. The Bosnian Serbs had earlier rejected an international peace plan which called for dividing the country between Serbs on the one hand and Moslems and Croats on the other. Under the plan, the Serbs would have got 49 percent of the territory of the former Yugoslav republic and the Moslem-Croat federation 51 percent.

The Serb leader acknowledged shortcomings in the conduct of the war to date, but added that "little weaknesses have been overcome already and you shouldn't worry." "We will improve the working of civilian authorities, of the military command, get back our territories and force the enemy to accept peace," he said. Karadzic, who is also supreme commander, indicated in his speech that he was wearing a military uniform.

Speaking a little earlier in Banja Luka, in northwestern Bosnia, he said Bosnian Serb forces would counter-attack and reconquer every bit of lost territory "till the very last metre of ground and even more if need be." "The aggressor must be punished," he added.

Meanwhile Radio Pale said Moslem infantry assaults Sunday against Bosanska Krupa, northeast of Bihac town, had been repulsed with the loss of at least 200 enemy soldiers. Sarajevo radio, for its part, said its offensive was continuing.

### No Territorial Concessions

*LD3010222094 Belgrade TANJUG Domestic Service in Serbo-Croatian 2141 GMT 30 Oct 94*

[FBIS Translated Text] Petrovac, 30 Oct (TANJUG)—Radovan Karadzic, president of the Srpska republic, said in Petrovac this evening that the Serbs will not make any territorial concessions if the enemy chooses to pursue the war option in Bosnia-Herzegovina.

Addressing the citizens of Petrovac and refugees from the villages of Ripac, Pritoka, and Racic in the vicinity of Bihac, Karadzic said that in such a case the Serb side would stop "only when in control of 64 percent of the territory, which it is entitled to."

On his arrival in Petrovac Karadzic heard a report by Lieutenant Colonel General Manojlo Milovanovic, chief of staff of the main headquarters of the Srpska republic army, who stressed that the Muslim offensive from the direction of Bihac has been crushed.

During today's visit to Banja Luka, Karadzic said that the Srpska republic army will "soon liberate all occupied territories in the northwestern part of the Republic." "The Serb army will liberate absolutely all territories, every square inch... the aggressor must be punished," Karadzic told SRNA.

He added that the Srpska republic government is preparing a series of legal provisions and measures aimed at ensuring "the functioning of authority and the defense of the country."

Karadzic said that he will convene a meeting with the military and civilian authorities in order to "pinpoint the reasons for the penetration of Muslim forces."

## Reportage on Bihac Front Combat Situation

### UN: Krajina Aiding Serbs

*AU3110102094 Paris AFP in English 0947 GMT 31 Oct 94*

[FBIS Transcribed Excerpt] Sarajevo, Oct 31 (AFP)—Croatian Serbs have shelled a Moslem-held area of

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western Bosnia in an apparent bid to relieve pressure on Bosnian Serbs who face attacks from the Moslems further to the east, a UN Protection Forces spokesman said Monday.

A total of 21 artillery rounds, fired from the Serb-held Krajina region of Croatia, just across the border, fell in the Veluka Kladusa area overnight Sunday [30 October] to Monday, Major Herve Gourmelon said here.

Moslem-led government forces in the Bihac pocket—surrounded by Bosnian Serbs to the east and Croatian Serbs to the west—last week broke out of their enclave, rolling back Bosnian Serb forces who abandoned some 200 square km (80 square miles) of territory in just a few days. [passage omitted]

Elsewhere on the western front, artillery exchanges in the Bosanska Krupa area dimished overnight, but with dawn a sudden increase in machine gun and small arms fire "might indicate that an infantry assault is in progress," Gourmelon said.

Meanwhile, in the Sarajevo sector, it was not immediately Monday morning clear if orders given by Bosnian President Alija Izetbegovic to his troops to withdraw from a demilitarized zone (DMZ) on Mount Igman were being followed.

Izetbegovic assured the UN command Sunday that his troops would withdraw from the DMZ—in line with a call by the UN Security council—if some soldiers were allowed to jointly man observation posts in the area with the UN.

Joint-manning of such posts "could prove to be a risk for the UN," but would be worth it if Moslem soldiers leave positions from which they have been firing at civilians in Serb-held territory, a UN officer said.

Meanwhile, Moslem forces who broke out of the Igman DMZ on Saturday to attack Serb positions to the east, appeared to have progressed by 5 to 10 kilometers, the officer said.

Serb forces in the area appeared to have withdrawn without much fighting, he added.

In Zagreb, a UN source reported that separatist Croatian Serb troops were massing along the border with Bosnia in apparent preparation to back Bosnian Serb forces in Bihac.

According to Croatian military experts secessionist Croatian Serbs, who control a quarter of Croatia, have an 37,000-strong army.

The only point of entry from Croatia into Bihac has been closed to UN humanitarian convoys since last Friday, the UN source said.

### 5th Corps, HVO Join Forces

*AU2810155394 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 28 Oct 94*

[Report by Muhamed Mulic from Bihac]

[FBIS Translated Text] After two and a half years of the chetnik occupation, life is gradually returning to a number of liberated villages in the Bihac Commune. Every day more displaced persons return, trying to organize their lives even in places where their homes have been razed to the ground.

The authorities of the Bihac Commune have been offering maximal assistance in these efforts [word indistinct] and the appropriate communal services. There is a lot of work to be done, as the aggressor has left behind ruins and burned-out parts of Ripac, (Dobrenica), and Golubic.

The headquarters of the Croatian Defense Council [HVO] of Bihac has also been waging fierce and successful battles against the aggressor's forces in its theater of operations. (?Ohovska Brda) and (Jelacic Greda), the infamous chetnik strongholds, have been cleared. Large amounts of ammunition and weapons have been seized. On this part of the front, units of the Bosnia-Herzegovina Army 5th Corps and the HVO have joined forces and have together reached the border with Croatia.

The enemy has tried to destabilize the HVO defense lines near Velika Kladusa, in (Sklekovac). However, the united resistance offered by the HVO 4th Detachment and the 5th Corps was so fierce that the enemy forces pulled back to the UN Protected Area in the so-called Serb Krajina, from where they had launched the attack. Because of the increasingly frequent attacks from the occupied areas of Croatia, a protest has been lodged from here with the international organizations, particularly the military observers and the United Nations.

### SAM-2 Missiles Possibly Used

*AU2810173094 Paris AFP in English 1703 GMT 28 Oct 94*

[Report by Francis Curta]

[FBIS Transcribed Excerpt] Sarajevo, Oct 28 (AFP)—Bosnian Serb forces Friday [28 October] threatened to strike at Sarajevo and Bihac in reprisal for successful government advances into their territory which have forced some 12,000 civilians to flee. [passage omitted]

The Serbs withdrew in disarray from positions to the south and southeast of Bihac town, abandoning tanks and mortars after sustaining maybe 100 casualties, UN Protection Forces (UNPROFOR) spokesman Lieutenant-Colonel Tim Spicer said here. [passage omitted]

On Thursday, one shell fell in Bihac town injuring two civilians and four explosions, possibly caused by SAM-2 air defence missiles fired in a ground capacity, were monitored further afield. The Serbs, some of whose forces remain in artillery range of Bihac town, have in the past also threatened to launch Frog-7 missiles at the Moslems.

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Asked what would be the UN's reaction to such attacks on civilian targets in UN-declared safe areas, such as Bihac town and Sarajevo, Spicer said the UNPROFOR could call for air strikes by the North Atlantic Treaty Organisation (NATO). [passage omitted]

### 5th Corps Advance Continues

*AU2810193594 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 28 Oct 94*

[Report by Muhamed Mulic from Bihac]

[FBIS Translated Text] We are in a position to report, esteemed listeners, about an extremely important development. Units of the Bosnia-Herzegovina Army 5th Corps this afternoon have liberated a further 50 square km of occupied territory, and have thereby reimposed Bosnia-Herzegovina sovereignty over the entire Bihac Commune.

In a relentless advance, units of the 5th Corps led by the celebrated General Atif Dudakovic first liberated Kulen Vakuf, and then Klisa, Cukovi, and Orasac. Therefore, the entire Bihac Commune has been liberated, and over 250 square km of the occupied Bosnia-Herzegovina territory has been captured from the Serbo-chetniks in four days of the superhuman efforts and heroic exploits by the Bosnia-Herzegovina Army fighters.

To remind you: On 11 June 1992, the chetniks launched a murderous campaign on the first day of Bayram, expelled about 5,000 people from Kulen Vakuf, and immediately renamed this old Bosnian town Spasovo, when it is common knowledge that all the Vakufs, including Kulen Vakuf, have for centuries been Bosnian. As of today, the old sign is back at the entrance to this town—Welcome to Bosnian Kulen Vakuf.

However, the villages in this part of the Bihac Commune—Klisa, Cukovi, and Orasac—no longer exist. The fascists of the Serbian Democratic Party have completely destroyed and burned these beautiful villages in which Bosniaks used to live.

As for the other parts of the front, the units of the Bosnia-Herzegovina Army 5th Corps continue to hold the initiative, and are gradually advancing into the temporarily occupied areas of the Una-Sana Canton.

This is all for now.

### Serbs Preparing Counterattack

*AU2910144694 Paris AFP in English 1424 GMT 29 Oct 94*

[By Francis Curta]

[FBIS Transcribed Excerpt] Sarajevo, Oct 29 (AFP)—Bosnian Serbs are firing artillery and could be preparing a counter-offensive in the west of the country where they have lost 200 square kilometres of territory to government forces, a UN spokesman said here Saturday [29 October].

Increased shelling follows orders by Bosnian Serb leader Radovan Karadzic to his forces to launch a massive counter-attack in the region. There had been no counter-attack so far, but Serb guns were active along the front, east of Bihac pocket and from where Moslem-led troops broke out this week to push back the Serbs, UN military spokesman Major Herve Gourmelon said. [passage omitted]

Meanwhile the threat by Bosnian Serb forces to strike at Sarajevo and Bihac in reprisal for the successful government advance opened the possibility of renewed NATO air strikes against the Serbs. On Friday, the North Atlantic Treaty Organisation and the UN agreed on new rules for air strikes which would be preceded by a political warning, but not a tactical one. In effect, the UN on the ground would issue a general warning, but refrain from telling the targeted party where and when NATO planes would strike, as was previously the case.

The United States also called on the UN Security Council on Friday to lift the arms embargo against the Bosnian Government, but the proposal was expected to be defeated amid opposition from Britain, France, and Russia.

Karadzic ordered the Serb counter-offensive to go ahead "without account for the zones protected by the UN," adding that these areas "have become the springboard for attacks against the Serbs," according to a statement carried by Pale radio. Bihac town and Sarajevo are two of six UN-protected enclaves which the Security Council has pledged to defend by air strikes if need be. "Bihac is a safe-area. And obviously maintaining it as a safe-area becomes more difficult if there's a lot of fighting around it or from it," said UN spokesman Thant Myint-U.

In a warning, broadcast by Pale radio Friday, the Serb chief of staff, General Manojlo Milovanovic, had called on the UN to intervene to force government troops to halt an offensive out of Bihac and withdraw to positions occupied on Oct. 23. Otherwise, "we shall be forced to carry out reprisals against those areas from which the attacks came," he said.

For their part secessionist Croatian Serbs were Saturday still blockading the only entry into Bihac in western Bosnia near the Croatian border around Maljevac, some 120 kilometres (75 miles) south-east of Zagreb, the commander of Bangladeshi UN troops in the pocket, Major Mohamed Beshir, told AFP.

The blockade, begun Friday morning, prevented a UN convoy from reaching Zagreb said Beshir, adding his men had been told the Croatian Serbs would maintain the blockade as long as the embargo against the Bosnian Serbs was not lifted. He added that UN commander in

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Bosnia. Lieutenant-General Sir Michael Rose, was expected to go to Bihac on November 3.

### Intensive Muslim Attacks

*LD2910171894 Sarajevo Radio Republike Srpske Program for Abroad in Serbo-Croatian 1630 GMT 29 Oct 94*

[FBIS Translated Excerpt] Members of the Muslim army's 5th Corps are continuing their attacks on Serb positions and villages on the Bihac-Krupa front. Serb military sources have reported that the heaviest fighting is taking place along the upper course of the Una River, in the area of Lipac and Racici, in the Serb municipality of Bihac.

Several members of the Srpska republic army's 2d Krajina Corps have been wounded in the Muslim attacks. Sporadic Muslim infantry attacks from the direction of Bugojno have been registered over the past 24 hours in the Srbobran sector of the front.

The information center of the Sarajevo-Romanija Corps has reported that a strong Muslim artillery and infantry attack against Serb positions in the area of Rakitnica on Mt. Bjelasnica began at 0530 this morning. Fierce clashes in this sector of the Sarajevo front are still under way. Last night, the enemy intensified his operations in the other upland sectors of the front as well, while minor infantry provocations have been registered in the urban sections of Serb Sarajevo. [passage omitted]

### 'Chaos in Chetnik Ranks'

*LD2910194294 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 29 Oct 94*

[FBIS Translated Excerpt] Members of our army's 5th Corps have liberated more than 260 square km on the Bihac front. In addition to this, General Dudakovic's soldiers continued to liberate new territories today in the direction of Bosanski Petrovac. Mirza Sadikovic reports from Bihac:

[Sadikovic] Fresh quantities of military equipment, weapons, and ammunition have been seized. Chaos in chetnik ranks is becoming increasingly pronounced as well as panic among the population of Bosanski Petrovac. Chetniks are carrying out additional mobilization in the area regardless of sex or age—they are forcing everybody to the front. [passage omitted]

### Serb 'Strongholds' Captured

*LD2910214594 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2100 GMT 29 Oct 94*

[FBIS Translated Text] Soldiers of the Bosnia-Herzegovina Army's 5th Corps liberated the major chetnik strongholds of Veliki Radic and Mali Radic today. Large quantities of military equipment and ammunition were seized, and many aggressor soldiers were left on the battlefield who will never dream of greater Serbia.

### Muslims Encircling Krupa

*LD2910231194 Belgrade TANJUG in English 2204 GMT 29 Oct 94*

["Pool" item]

[FBIS Transcribed Text] Belgrade, Oct 29 (TANJUG)—United Nations Spokesman Michael Williams said in Zagreb late Saturday that Bosnian Muslims had encircled the Serb town of Krupa in Western Bosnia-Herzegovina.

International news agencies quoted the Bosnian Muslim side as saying it had captured the western bosnian town of Kulen Vakuf, 35 km southeast of Bihac. Bihac is a U.N. 'safe area' from which a heavy Muslim offensive was launched eight days ago.

The Associated Press news agency quoted U.N. officials as saying Saturday that hundreds of Serbs had fled Kulen Vakuf. U.N. officials were, however, unable to confirm the official Bosnian Muslim reports that Muslim troops had captured the town.

The SRNA Bosnian Serb news agency quoted Srpska army sources as saying Serb troops had checked a heavy Muslim infantry attack on the Bihac front on Saturday. SRNA quoted the sources as saying five Bosnian Serb soldiers had been wounded and 42 Muslim troops killed in the fighting around Ripac and Rakici, about 20 km south of Bihac.

SRNA quoted Serb military sources as repeating that Bangladesh U.N. peacekeepers in the Bihac 'safe area' had been providing support for the Muslim troops engaged in the offensive on the Western Serb territories. Muslim troops mounted an artillery attack on Serb defense lines at Ugorsko in the Kupres plateau in Western Bosnia, southwest of the town of Kupres, the local Bosnian Serb command said.

SRNA quoted the command as saying the Bosnian Serb troops were firmly holding their positions in the Kupres plateau.

U.N. officials said the Bosnian Serb positions about 20 km southwest of Sarajevo had been shelled on Saturday by Muslim troops from the demilitarized zone near the city.

### Krajina Serbs Shell Bihac Area

*LD3010221194 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2100 GMT 30 Oct 94*

[Report by correspondent Mirza Sadikovic from Bihac]

[FBIS Translated Excerpt] Artillery attacks are constantly being launched from the territory of the so-called Krajina [Serb-held Croatia]. Since 2000 this evening

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artillery attacks on the Bihac area from Mount Pljesevica in Croatia have been intensified. Despite total chaos in their ranks, the chetniks are resorting to all means, attacking the newly established positions of the defenders and trying to infiltrate commando units. Fierce clashes continued today in the Bosanska Krupa and Bosanska Otoka sectors of the front.

Elite units of the 5th Corps penetrated deep into chetnik territory toward Bosanski Petrovac today. They seized fresh quantities of artillery and infantry weapons. The free territory is expanding all the time. [passage omitted]

## Reportage on Sarajevo, Mt Igman Combat Situation

### Serbs Use Heavy Artillery

*AU2810202594 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 28 Oct 94*

[Report by Jadranka Milosevic from Hadzici]

[FBIS Translated Text] This time the Serb aggressor has been using heavy artillery in the Dolovi area, which is inside the exclusion zone. Twenty-three 82-mm mortar shells were fired at the defense lines in the northern sector of the Hadzici front. Fortunately, there were no casualties among the Bosnia-Herzegovina Army fighters in this unprovoked one-hour-long barrage. I stress that the Bosnia-Herzegovina Army fighters did not respond to this attack by the fascist aggressor.

Today's attack by the enemy is only one more in a series of cases that can serve as proof to the international community and the world's public that the chetniks continue to violate all the agreements banning artillery and heavy weapons in the exclusion zone with impunity.

### UN on Igman Attacks

*AU2910144494 Paris AFP in English 1150 GMT 29 Oct 94*

[FBIS Transcribed Text] Sarajevo, Oct 29 (AFP)—Bosnian Government forces launched an attack early Saturday [29 October] on Serb positions in the Mount Igman area outside Sarajevo, a UN spokesman said.

The Moslem-led government forces infiltrated men through the Igman demilitarized zone (DMZ) and struck at dawn in heavy fog at Serb lines to the south and southeast of Igman, around Savorak and Lukavac, Major Herve Gourmelon said.

Their attack was supported by at least one 122-mm howitzer, firing from just inside the DMZ, but outside the NATO-enforced heavy weapons' exclusion area around the Bosnian capital, he added.

French UN troops in the area sent three light armoured tanks to investigate the battle and try to prevent further infiltrations through the DMZ, which government troops were supposed to have evacuated earlier this week.

One French platoon intercepted 30 armed Bosnian soldiers and turned them back, Gourmelon said.

### More on Muslim DMZ Attacks

*LD2910150294 Belgrade TANJUG in English 1434 GMT 29 Oct 94*

["Pool" item]

[FBIS Transcribed Text] Belgrade, Oct. 29 (TANJUG)—Bosnian Muslim troops on Saturday attacked Bosnian Serb army positions from the demilitarized zone [DMZ] near Sarajevo and United Nations peacekeepers were sent to intercept them.

The AGENCE FRANCE PRESS news agency quoted UNPROFOR [UN Protection Forces] spokesman Herve Gourmelon as saying the attack, in which the Muslims used a 122-mm cannon, was aimed at the villages of Savorak and Lukavac at the foot of Mt. Bjelasnica, southwest of Sarajevo. Gourmelon said the cannon was inside the demilitarized zone on Mt. Igman and that the Muslims had attacked the Bosnian Serb positions in a situation that was 'confused because of fog shrouding the area.'

He said there were at least 500 Muslim troops in the demilitarized zone including Mt. Igman and Mt. Bjelasnica. U.N. peacekeepers have tried unsuccessfully to dislodge Muslim forces from the demilitarized zone.

At least 31 Bosnian Serb soldiers, including three nurses, have been killed in October in Muslim launched from the demilitarized zone. [sentence as received]

### UN Warning on Shelling

*AU2910185694 Paris AFP in English 1836 GMT 29 Oct 94*

[FBIS Transcribed Text] Sarajevo, Oct 29 (AFP)—The UN Protection Forces [UNPROFOR] Saturday [29 October] warned Bosnian Army troops against the shelling of UN positions on Mount Igman and threatened to call in air strikes.

A statement put out by the UNPROFOR Sarajevo sector command said the Bosnian Government troops had "deliberately" targetted UN observations posts on Mount Igman, overlooking Sarajevo, with artillery and mortar fire. There were no UN casualties.

"If UN observation posts or personnel are directly targetted by artillery or mortar the UN will have no alternative but to request air support from NATO in self-defence," the statement said.

Bosnian Government forces Saturday launched a dawn attack on Bosnian Serbs from the demilitarized sector

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(DMZ) on Igman, despite assurances from Bosnian President Alija Izetbegovic that the Moslem-led forces would be withdrawn from the area, the statement said.

Bosnian Government forces had used heavy weapons, including 122-mm howitzers and small mortars, located inside the DMZ, to support their offensive during which they had "deliberately" targetted UN observations posts near Javorak valley, south of Igman, the statement said.

### Serbs: Army Attacks 'Stopped'

*LD2910204294 Belgrade TANJUG in English 1941 GMT 29 Oct 94*

["Pool" item]

[FBIS Transcribed Text] Belgrade, Oct 29 (TANJUG)—Muslim forces launched heavy artillery-infantry attacks on Serb positions on Mt. Bjelasnica overlooking Sarajevo on Saturday, the SRNA news agency said.

The Bosnian Serb News Agency quoted Serb military sources as saying that Muslim troops had also staged a stronger attack from the demilitarized zone on Mt. Igman overlooking Sarajevo. The sources said several Serb soldiers were wounded in the attack. Bosnian Serb military sources said heavy fighting between Serb and Muslim units had resumed in Western Bosnia on Saturday.

The sources said Serb troops were successfully countering the Muslim offensives launched in the areas around the towns of Bihac and Kupres a few days ago. They said 6,000 Serb civilians had fled the areas of military operations. Contrary to Muslim-held Radio Sarajevo, Bosnian Serb military sources said Muslim troops had been stopped and counter-attacks were in the offing.

Bosnian Serb military sources said Muslim troops had stepped up attacks on Serb military positions and settlements around the town of Doboj in northern Bosnia. The sources said Muslim troops fired from mortars at Serb villages and settlements on the eastern slopes of Mt. Ozren near Doboj, causing significant material damages.

Bosnian Serb military sources said the Muslim offensive on the Herzegovina front in southern Bosnia had totally failed. The Serb command in the town of Bileca in Herzegovina said the several-day Muslim offensive towards the town of Nevesinje, 25 km south-east of the city of Mostar, and the Boracko Lake, 30 km northeast of Mostar, had been crushed.

The sources said Muslim troops had nevertheless attempted new attacks on Saturday. Bosnian Serb military sources said the Muslim infantry had launched two surprise attacks on Serb troops around the central Bosnian town of Konjic, 35 km north of Mostar. The sources said both attacks were unsuccessful and lasted short. [sentence as received] They said the Muslim troops were put to rout and withdrew in the direction of the town of Konjic, 35 km north of Mostar.

### Government Denies Shelling UN

*AU3010140594 Paris AFP in English 1017 GMT 30 Oct 94*

[FBIS Transcribed Text] Sarajevo, Oct 30 (AFP)—The Bosnian Army denied Sunday [30 October] it had fired on UN peacekeeping positions on Mount Igman, overlooking Sarajevo, saying that the shots were aimed at Serb artillery in the region.

"It is absolutely untrue that our forces were aiming at the UN Protection Forces (UNPROFOR)," the army said in a communique. "They were aiming at enemy positions that the UNPROFOR knows perfectly well about."

The UNPROFOR had accused Moslem forces of "deliberately" shelling UN observation posts on Mount Igman Saturday, warning that any repetition would precipitate North Atlantic Treaty Organisation air strikes. There were no UN casualties.

A UN officer who spoke on condition of anonymity said Sunday that there was a Serb base near the UNPROFOR position targeted by the Bosnian Army.

### Muslims Preparing New Offensive

*LD3010154394 Belgrade TANJUG Domestic Service in Serbo-Croatian 1414 GMT 30 Oct 94*

[FBIS Translated Text] Zvornik, 30 Oct (TANJUG)—Heavy Muslim forces are carrying out a large-scale concentration of troops in the demilitarized zone [DMZ] on Mt. Igman and Mt. Bjelasnica in preparation for a fresh offensive on Serb territories, TANJUG learned today from high-ranking circles of the Srpska republic army [SRA]. According to these sources, the goal of the fresh offensive is to link up territories with the Muslim enclave in Gorazde.

At the end of last week, Yasushi Akashi, UN secretary general's special envoy for former Yugoslavia, and Ejup Ganic, vice president of the Muslim presidency, had agreed that the Muslim units should withdraw from the DMZ's on mountains surrounding Sarajevo, but this has not yet been done.

According to details that the Serb side has obtained, around 5,000 Muslim soldiers, not 500 as claimed by the Muslim leadership, are still deployed on Mt. Igman and Mt. Bjelasnica, i.e. in zones where only UN forces should be.

The high-ranking SRA circles say that UNPROFOR [UN Protection Forces] has not returned the Muslim soldiers to the areas under Muslim control—to Hadzici and Sarajevo—but has enabled them to move towards Serb territory on Mt. Treskavica.

In practical terms this means, the Srpska army sources explain, that the Muslim formations, with the consent

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from UNPROFOR, have been concentrating in order to carry out an attack on the area of Trnovo and link up with the Gorazde enclave.

That the Muslim formations have no intention of withdrawing from the DMZ has been confirmed by a Muslim attack yesterday on a UNPROFOR post near Krupac, 10 km from Sarajevo, toward Mt. Igman, the sources say. The UNPROFOR command has described this attack as "dangerous playing with fire" and even threatened to carry out air strikes against Muslim formations.

However, the Srpska army sources say that this is an attempt by the UNPROFOR command to cover up its own omissions before the international public—voicing a threat that is not going to materialize.

### Muslims Capture Area Near Igman

*LD3010160494 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 30 Oct 94*

[FBIS Translated Text] Bosnia-Herzegovina Army units gained ground in yesterday's clashes in the southeast part of Mt. Igman. UN Protection Force headquarters in Sarajevo confirmed that Bosnia-Herzegovina Army units captured 4 square km in the area.

### Javorak Captured

*AU3010171194 Paris AFP in English 1642 GMT 30 Oct 94*

[FBIS Transcribed Text] Sarajevo, Oct 30 (AFP)—Bosnian Government forces Sunday [30 October] captured a Serb-held village near Mount Igman outside Sarajevo, a UN spokesman said. The village of Javorak, on a frontline position near the Igman demilitarized zone [DMZ], had long been abandoned by its inhabitants and was held only by the Serb army. The position was not strategically important but its capture would likely boost the morale of the Moslem forces, according to one UN officer.

The government offensive in the area began Saturday morning and appeared to involve 800 to 1,000 Moslem troops against possibly 300 for the Serbs, the United Nations said. During one three-hour period Saturday morning there was a shell fired every 45 seconds, it reported.

Moslem guns inside the DMZ were again in action against the Serbs on Sunday, following an incident Saturday when the United Nations said they had "deliberately" targetted one of its observation posts. There were no UN casualties. The Bosnian Army denied the charge.

The UN Protection Force here said it would call in close air support against the Moslems if there were any further artillery attacks against its forces. French UN forces, charged with patrolling the DMZ, had come under machine gun and grenade attack when they approached Moslem positions on Monday, the day on which the Sarajevo government had said it would begin the withdrawal of its forces from the DMZ.

But on Sunday, a Sarajevo sector commander, Lieutenant-Colonel Jacques Lechevallier, said there appeared to have been little progress on the withdrawal which has been demanded by the UN Security Council. "Orders at the local level are not in accord with agreements reached at the political level," he said.

The DMZ was set up in August 1993 to prevent a Serb offensive from overrunning the last government-controlled mountain road linking Sarajevo to the outside world. Authorities here have been insisting the UN must guarantee protection of the road before its pulls out all forces from the DMZ.

And Lechevallier said Sunday that while UNPROFOR was doing its best to obtain the withdrawal: "We cannot force them using our weapons."

### Serbs Shell Sarajevo Suburb

*AU3110093494 Paris AFP in English 0909 GMT 31 Oct 94*

[FBIS Transcribed Excerpt] Sarajevo, Oct 31 (AFP)—One civilian was killed and 10 wounded in a shelling attack on a Sarajevo suburb Sunday, only hours after the United Nations sent a protest note to the Bosnian Serbs for a similar attack, hospital and UN officials said Monday.

The Moslem-held village of Hrasnica, near the airport, is included in the Sarajevo UN-declared safe area which the Security Council has pledged to defend from shelling attacks.

UN Protection Forces (UNPROFOR) spokesman Major Herve Gourmelon said Sarajevo sector commander General Herve Gobilliard had sent a protest note to the Serbs after the attack on Saturday. This warned them that "appropriate measures" would be taken to "neutralize" the heavy mortars which had attacked the civilian population, an UNPROFOR Sarajevo sector spokesman said. [passage omitted]

The United Nations has given notice it will strike at heavy weapons—such as the mortars used in the attack—when they are used inside a 20 kilometer (12-mile) exclusion zone set up around Sarajevo in February. The aim is to stop Serb shelling of the capital, but both parties to the conflict have been warned that they face strikes if they open fire. UNPROFOR was Monday seeking to find out whether the mortars were still in the area. [passage omitted]

Saturday evening, the Serbs had fired three 120 mm and three 82 mm mortar shells from the Vogosca suburb, north of Sarajevo, at Hrasnica killing a 78-year-old man and wounding several civilians, UNPROFOR spokesmen said.

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On Sunday, a total of 23 shells hit Hrasnica, but the United Nations was unable to investigate because observers dispatched there were turned back by an angry crowd which blamed them failing to lay blame for the attack at the Serbs' door, Lieutenant-Colonel Bernard Labarsouque said.

Sunday morning, the United Nations had said it did not immediately know who was to blame for Saturday evening's attack. And a senior UN officer had added at the time: "I cannot say if the attack was against civilians or a military target."

Hrasnica is understood to be home to a Bosnian Army command centre.

### Further on Shelling

*AU3110111594*

[FBIS Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 0900 GMT on 31 October carries within its regular newscast several reports on the combat situation in the republic.

Izudin Durakovic reports from Gracanica on "chetnik shelling, provocations with infantry weapons and snipers [words indistinct] characteristic for the last 24 hours, in the theater of operations of the (?2nd) Operations Group of the 2d Corps of the Army of the Republic of Bosnia-Herzegovina. Provocations from infantry and anti-aircraft weapons marked the early morning hours in Gracanica, [words indistinct] chetnik activity joined by a Bofors gun that was targeting (Stjepan Polje) from Alagica Bunar, 82-mm mortars fired on Javor from (Krcevina), and a recoilless gun fired on vis from (Protic). An enemy antiaircraft gun located on (Vrla Strana) was targeting innocent victims in the Pribava district. (?The result) of the chetnik shelling was four injured people.

"In Doboj, chetnik provocations from infantry weapons were joined by a 122-mm howitzer that (?sowed death) over [word indistinct] (Pribavici) and Trsat; a 82-mm mortar acted on our defense lines at Komarevo. Chetniks initiated activity on Lukavac with rifle-launched grenades and snipers targeting our defense lines, occasionally supporting these operations with antiaircraft weapons and a Bofors weapon on the village of Turija. In the evening hours, this village was hit by chetnik [word indistinct] 82-mm mortars. [Word indistinct] hours were marked by chetnik activity with a (?Browning gun) and an anti-aircraft gun on Ceric."

A 3d Corps Press Center report read by an unidentified correspondent says that "following vain attempts to regain territories liberated through our fighters' brilliant actions, chetniks did not attempt any attacks on our defenders' firm and stable lines yesterday. On the [name indistinct]-Teslic section of the front, the day was relatively calm with some provocations by infantry weapons and machine guns in the region of (Kundara); the region of Vukove Njive was shelled with 82-mm mortars. Chetniks attempted to infiltrate several subversive-terrorist groups through the lines, but our fighters discovered them in time and pushed them back to their original positions. In the area covered by the 7-South Operations Group, a chetnik tank pounded Jelah; defense lines on the Vozuca front were exposed to provocations from infantry and antiaircraft weapons and rifle-mounted grenade launchers. In the early afternoon several 120-mm mortar bombs fell on our defense lines in the region of the village of (Podbalujak). Movements by chetnik motor vehicles, regrouping of troops, and engineering activities were registered throughout the 3d Corps theater of operations.

A report by the 205th Chivalrous Hill Brigade of Zvornik's information service states that "the enemy fired artillery on the free Zvornik territory during the last night. Parts of Vitinica were targeted by a tank from Androvici, and infantry and antiaircraft fire was opened on our defense lines. The morning hours passed with the usual infantry provocations on our defense positions."

A studio announcer reads a report by the 1st Corps Information Service saying that "yesterday, the aggressor shelled Hrasnica and the consequences of that attack are one killed and 14 wounded civilians, of whom three were seriously wounded. Chetniks fired on Sokolhe from Rajlovac Barracks with mortars; heavy infantry fire was also opened on (Vijesce). On several occasions, a sniper shot on Marin Dvor; also, an antiaircraft machine-gun from the direction of Osmice fired on [word indistinct]. The enemy opened fire with light and heavy weapons on Igman Road."

### Serbs Release 4 British Soldiers, Interpreter

*AU3010185694 Paris AFP in English 1746 GMT 30 Oct 94*

[FBIS Transcribed Text] Sarajevo, Oct 30 (AFP)—Bosnian Serbs Sunday [30 October] released four British UN soldiers and their interpreter detained on charges of espionage Tuesday, a UN military spokesman said here.

A British officer, three soldiers and their female interpreter had been held at Kupres police station, in central Bosnia, after crossing into Serb-held territory on a liaison mission. The Serbs had accused the soldiers of spying, a charge rejected by UN Bosnia forces chief Lt.-Gen. Sir Michael Rose who gave the Serbs his personal word this was not the case.

The release was obtained by Rose during talks Sunday in Pale with the Serb leadership, Major Herve Gourmelon said. Further talks were expected to take place between Rose and the Serb leaders in Pale on Monday, he added.

### Federation To Hold Constituent Assembly Session

*LD2810223094 Zagreb Radio Croatia Network in Serbo-Croatian 2100 GMT 28 Oct 94*

[FBIS Translated Excerpt] According to an agreement reached between delegations of the Croatian Democratic

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Union of Bosnia-Herzegovina [HDZ-BH] and the Party of Democratic Action [SDA], a new session of the constituent assembly of the Bosnia-Herzegovina Federation is to be held in Sarajevo on 7 November. This issue was discussed at a meeting between the HDZ-BH leadership and chairmen of the party's municipal committees in Mostar today. Zdenko Vranjes reports:

[Vranjes] According to Ivan Bender, the chairman of the Chamber of Deputies of the Croat republic of Herceg-Bosna, the constituent assembly of the Bosnia-Herzegovina Federation is to discuss only those draft laws on which full agreement has previously been reached between the HDZ-BH and SDA, i.e. Croat and Bosniak deputies. Bender also announced that the first round of Croat-Muslim negotiations on setting up authorities in the Mostar grand county [Mostarska velezupa] would be held in Mostar on 4 November.

The two parties have agreed that the setting up of the federation's municipal authorities ought to be accelerated. If further procrastination in the implementation of the Washington agreement takes place, the Croatian side will seek international arbitration in order to establish who and for what reason the agreement is being obstructed, HDZ-BH Chairman Dario Kordic said at the meeting. [passage omitted]

### Croat Deputies Prepare

*LD2910200894 Zagreb HTV Television in Serbo-Croatian 1830 GMT 29 Oct 94*

[FBIS Translated Excerpt] The 12th session of the Chamber of Deputies of the Croat republic of Herceg-Bosna was held in preparation for the constituent assembly of the Croat-Bosniak federation on 7 November in Sarajevo. Through agreement between the two peoples' ruling parties this will be an exclusively federal assembly, not a joint republican and federal assembly as was the case until now.

At today's gathering the Croat deputies were charged with persevering in their demands that will be in the interest if the Croat people in the future federation. One of these demands is the establishment of new municipalities as a precondition for the return of refugees to their homes. [passage omitted]

### Croats Call For Arbitration

*LD2910133494 Belgrade TANJUG in English 1317 GMT 29 Oct 94*

["Pool" item]

[FBIS Transcribed Text] Belgrade, Oct. 29 (TANJUG)—The Croatian Radio Saturday quoted a Croat party leader as saying the Bosnian Croats would demand international arbitration on the Muslim-Croat federation agreement.

The radio quoted Darko Kordic, a leader of the Croatian Democratic Union, the Bosnian Croats' most powerful party, as saying the Croats would demand arbitration in order to determine who was responsible for not implementing the federation agreement.

Zagreb's VECERNJI LIST daily Saturday quoted Kordic as saying in Mostar that the Muslims were to blame for the mass expulsions of Croats from Muslim-held territories.

Kordic said the latest figures showed that, since the signing of the Washington Agreement, more than 27,000 Croats had fled the Muslim-Croat Federation territory under pressure from the Muslims.

Bosnian Muslim government member Nijaz Durakovic Saturday told Muslim-controlled Zenica Radio that there were strong forces advocating the division of Bosnia.

Durakovic called for an urgent meeting of the Muslim-Croat Federation Assembly to debate on "who is obstructing the implementation of the federation Constitution and why."

The constituent assembly of the Muslim-Croat Federation, previously scheduled for Nov. 2, was postponed for Nov. 7. The Muslim-Croat Federation agreement was signed in Washington last March under pressure from the United States. It was signed after one year's fierce fighting between the Muslims and the Croats in Bosnia-Herzegovina. The agreement gives the Muslim-Croat federation the right to confederate with neighboring Croatia.

Muslim-Croat federation President Kresimir Zubak confirmed that international arbitration would be demanded to define relations between the federation and the Muslim Republic of Bosnia-Herzegovina. Although the Muslim-Croat federation has its own president and prime minister, the Bosnian Muslim government in Sarajevo and the Bosnian Croat authorities of Herceg-Bosna still rule the territories included in the federation.

### Illegal Arms Reportedly Arrive From Ukraine

*LD2810231094 Belgrade TANJUG in English 2242 GMT 28 Oct 94*

["Pool" item]

[FBIS Transcribed Text] Zvornik, Oct. 28 (TANJUG)—Ukrainian ship Lithuania brought illegally new quantities of weapons, ammunition and military equipment for the Army of Croatia and for Bosnian Muslim forces.

As learned from the Bosnian Serb army high circles Friday, part of the cargo for Croatia was unloaded in the port city of Dubrovnik on Oct. 25. The source said the cargo for the Bosnian Muslims is to be unloaded in the Croatian port of Ploce, which the ship is to reach Monday at midnight at the latest.

The Serb side was in possession of information that certain Ukrainian organizations had illegally transported

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arms and other [words indistinct] in Croatia and Slovenia to the airports of Coralici and Zeljava in the Cazin Krajina, western Bosnia. This [words indistinct] time confirmed also by members of the French U.N. forces stationed in Bihac.

The Serb sources said reliable reports said the Ukrainian air company has transported Muslim forces from Sarajevo to the Cazin [word indistinct] Krajina. They specified that these were Muslim reinforcements for the latest offensive from the U.N.-designated safe haven of Bihac, western Bosnia, against the territory of the Bosnian Serb republic.

In September 1991, the U.N. imposed an arms embargo on the territory of the republics of the former Yugoslav Federation.

U.N. spokesman in Sarajevo Tim Spicer said Thursday that after a several-day offensive Bosnian Muslims captured strategic heights east of Bihac and seized about 100 square kilometers of the Bosnian Serb territory.

UNHCR said Friday in Geneva more than [number indistinct] Serb civilians fled the Bihac area because of the Muslim offensive.

### Ship Expected in Ploce

*LD2910205994 Sarajevo Radio Republike Srpske Program for Abroad in Serbo-Croatian 1630 GMT 29 Oct 94*

[FBIS Translated Text] Senior military circles of the Srpska republic army have learned that the 72,000-tonne Crimean ship Lithuania, which transports arms and ammunition for the Muslim and Croat armies in former Bosnia-Herzegovina, is expected to dock at Ploce port, from where the military cargo would be transported on to Croat- and Muslim-held parts of former Bosnia-Herzegovina. The same source says that the Lithuania, loaded with arms and ammunition, called at Dubrovnik port on 25 October; it left there yesterday for Ploce.

Members of various Ukrainian organizations have so far participated in transporting arms, military equipment, and manpower, especially for the Cazin-Bihac region. Senior Serb circles specify that the transport of military equipment was carried out from airports in Croatia and Slovenia to Coralici airport near Cazin and to Zeljava airport near Bihac; this was reported at the time by UNPROFOR's [UN Protection Forces] French battalion in Bihac.

Ukrainian planes were also used for the transport of Muslim military forces from Sarajevo to Cazin Krajina. These forces were used as reinforcements on the eve of the latest unprovoked offensive against the positions and territory of the Srpska republic near Bihac.

### Muslim Authorities Arrest 142 Croats in Bugojno

*LD3010153194 Belgrade TANJUG in English 1507 GMT 30 Oct 94*

[FBIS Transcribed Text] Belgrade, Oct. 30 (TANJUG)—The Muslim authorities of Bugojno, central Bosnia, have arrested 142 Croats for the alleged genocide of Muslim civilians, the Radio of Croat Herzeg-Bosna said Sunday. After year-long battles the Muslims had seized power in Bugojno and expelled the town's pre-war majority Croat population.

Sporadic fighting continued in the Bugojno area this fall although the Bosnian Muslims and Croats last March signed an agreement in Washington, under pressure by the United States, on forming a joint federation in Bosnia.

The Bosnian Croats claim that the fighting broke out after the Muslim authorities refused to allow them to form their own commune in the region of Bugojno.

Herzeg-Bosna Radio said that the arrest of a Croat bringing humanitarian aid to the town only confirmed that the Muslim authorities were continuing their illegal and self-willed practice.

The radio accused Bugojno Commune President Dzevad Mlaca of causing the Croat troubles. The Radio said Mlaca had refused to sign agreements stemming from the Washington Agreement and the constitution of the Muslim-Croat federation.

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### Krajina Official on Economic Talks With Croatia

*LD2810153194 Belgrade TANJUG Domestic Service in Serbo-Croatian 1337 GMT 28 Oct 94*

[FBIS Translated Text] Knin, 28 Oct (TANJUG)—Yesterday's talks in Zagreb between the republic of Serb Krajina [RSK] and Croatia on economic relations were held on absolutely equal terms, Borislav Mikelic, head of Krajina's delegation and prime minister of the RSK government, told Petrinja Radio today.

Not for a moment were we in an inferior position. We also foiled an attempt by Hrvoje Sarinic, head of the Croatian delegation, to introduce political issues by citing UN Security Council resolutions. We were supported and fully understood in this course of action by Lord David Owen and Thorvald Stoltenberg, the two cochairmen of the conference on the former Yugoslavia.

In his statement to Petrinja Radio, Mikelic said that possible arrangements for water supplies, opening the Zagreb-Belgrade highway, oil pipelines, railways, and power supplies were specifically discussed in detail. Nothing was signed, Mikelic added, and he went on to say that there will be further talks in Topusko. In the meantime, as he said, expert groups will continue their work. "At the moment there can be no talk of any possible reincorporating Krajina into Croatia," Mikelic stressed.

### RSK's Mikelic Cited on Talks With Zagreb

*AU2810155494 Paris AFP in English 1512 GMT 28 Oct 94*

[FBIS Transcribed Excerpt] Geneva, Oct 28 (AFP)—The foreign ministers of Croatia and rump Yugoslavia (Serbia and Montenegro) are to hold regular meetings to discuss normalizing relations between the former warring states, international mediators announced here Friday.

Meanwhile in Belgrade the co-chairmen of the the International Conference on the former Yugoslavia, Lord Owen for the European Union and Thorvald Stoltenberg for the United Nations, discussed relations between the Croatian government and Croatian Serbs with Serbian President Slobodan Milosevic, the TANJUG agency reported. [passage omitted]

In a reaction to Thursday's meeting, the Krajina Serbs said talks with the Croatian Government had opened "the prospect of a peaceful settlement", a report from the Krajina press agency ISKRA received Friday in Belgrade said.

ISKRA quoted a communique from Borislav Mikelic, head of the Croatian Serb delegation at the Zagreb talks who holds the title of foreign minister of Krajina.

Mikelic said the discussions were on economic relations between the two sides and covered water and oil pipelines and the reopening of the Belgrade to Zagreb autoroute, which passes though Serb-controlled territory.

The communique said that Owen had expressed satisfaction over the "cooperative and constructive" attitude of Mikelic's delegation, and that the way was open to a peaceful settlement.

### Integration 'Not Negotiable'

*LD3010175694 Sarajevo Radio Republike Srpske Program for Abroad in Serbo-Croatian 1630 GMT 30 Oct 94*

[FBIS Translated Text] Bosilav Mikelic, prime minister of the republic of Serb Krajina, has confirmed that talks between Zagreb and Knin will resume in Topusko, but he failed to say when. The possible reintegation of Krajina into Croatia is not negotiable, he told Radio Petrinja.

Mikelic assessed that the talks with the Croatian delegation at Zagreb airport were conducted on a basis of equality. Not for a single moment was the Krajina delegation in a subordinate position, Mikelic said. He added that attempts by the head of the Croatian delegation to impose political topics by citing UN Security Council resolutions were foiled. In this respect we had the support and understanding of cochairmen Owen and Stoltenberg, Mikelic said in a statement for Radio Petrinja, carried by ISKRA.

### Valentic, Silajdzic Return From Overseas Visit

*LD3010180794 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 30 Oct 94*

[FBIS Translated Text] Croatian and Bosnia-Herzegovina Prime Ministers Nikica Valentic and Haris Silajdzic have returned to Zagreb following a six-day visit to Malaysia, Pakistan, and Iran.

The overall impression of the visit is favorable, because it has improved bilateral relations between Croatia and Bosnia-Herzegovina on one side and with countries that we have visited on the other, and has also considerably contributed to the improvement of interstate relations between our two countries, Croatian Prime Minister Nikica Valentic said. He added:

[Begin Valentic recording] As you know, these are three different states: Malaysia, which is becoming the fifth tiger of Asia, a country that has been experiencing economic growth for years; Pakistan, one of the largest countries in the world, and an extremely important one for our economic ambitions; and Iran, which is favorably disposed toward Croatia and Bosnia-Herzegovina at the moment.

The concrete results achieved are agreements on the participation of Croatian and Bosnian companies in the Malaysian market. We hope that our companies will conclude some contracts in Malaysia as early as this year and certainly by next year and that, in that way, we will strengthen our unity.

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In Pakistan, we had relatively brief talks on the economic cooperation of Croatia and Bosnia-Herzegovina, both together and separately, with Pakistani companies. We believe we can say that this very important market will be opened to the companies of our two states.

One of the most important results of the trip was certainly our visit to Iran, where we held very comprehensive top-level talks. What is most significant is that these visits have additionally strengthened relations between the Croats and Muslims in Bosnia-Herzegovina and between Croatia and Bosnia-Herzegovina. We believe that this will contribute to the acceleration and amelioration of the implementation of the Washington agreement, in the interest of the establishment of a final peace and a just solution in this region.

I personally wish to thank Mr. Silajdzic and the officials of all the states we visited for an exceptional reception and for the overall results we accomplished. In Iran, we concluded an agreement of great importance for Croatia on the financing of the construction of four ships worth $110 million, which is to be paid in crude oil. Therefore, the overall value of the deal is $220 million. This deal is particularly important because it opens up opportunities for other major ventures in Iran.

Tentative agreements for the next four ships have already been signed, and we are negotiating an agreement on five or six [word indistinct] where Croatia, as a state and shipbuilding country, will have to become better organized and offer better credit facilities. This first deal—I have to say this openly—has been concluded for the sake of good political relations between Croatia and Iran. Future deals must have greater commercial value. This is very important for us if we take into account that these three countries will be receiving more than $15 billion in investments over the next two years for the financing of the construction of roads and hydroelectric and other power plants. It is, therefore, clear how much interest Croatian and Bosnian companies have in ventures in these markets.

Mr. Silajdzic and I believe that Croatian and Bosnian companies will organize themselves in order to obtain important projects within a brief period of time, despite the competition. This will be a great contribution to the economic strengthening of both Croatia and Bosnia-Herzegovina. [end recording]

Bosnia-Herzegovina Prime Minister Haris Silajdzic gave a brief statement:

[Begin Silajdzic recording] Viewed from the perspective of the countries we visited, it seems that they attached great importance to our visit. This could be seen in the reception we were given. These are, therefore, countries with a high growth rate: Malaysia, Pakistan, and Iran. Statistically they all have a high growth rate. It is obvious that their economies ascribed great importance to this visit, although we should also remember the political dimension. They are counting on Bosnia-Herzegovina and Croatia as serious economic partners. [end recording]

### Granic on Issues for Discussion With Jovanovic

*LD3010200394 Zagreb HTV Television in Serbo-Croatian 1830 GMT 30 Oct 94*

[FBIS Translated Text] As was reported from Geneva on 28 October, Owen and Stoltenberg, cochairmen of the peace conference, have reached agreement on the holding of regular meetings between Granic and Jovanovic. The first is expected to take place on Friday 4 November in Zagreb and the second a week after that in Belgrade. What are the conditions for these diplomatic steps? Miljana Rakic, editor of our foreign policy section, posed this question to Deputy Prime Minister Mate Granic.

[Begin recording] [Granic] What should these conditions be? Six months ago the entire international community wanted to solve the problem of the crisis in southeast Europe by resolving the war in Bosnia-Herzegovina and freezing the situation in the Republic of Croatia. The problem of the peaceful reintegration of the UN Protected Areas [UNPA's] into Croatia's legal system is being resolved simultaneously with the resolution of the war in Bosnia-Herzegovina.

We have agreed to discuss all open questions; in our view, the open questions are the recognition of the Republic of Croatia in our internationally recognized borders, and the reintegration of the UNPA into the legal system of Croatia.

[Rakic] Does that mean that this is Croatia's basic negotiating position?

[Granic] Correct. These are our fundamental objectives, while the basic position is the law and President Tudjman's peace initiative.

[Rakic] What could be expected from the first meeting with Minister Jovanovic?

[Granic] The two sides could be expected to finally clarify their positions; we will discuss all open questions—the sanctions, succession, communications.

[Rakic] Mutual recognition?

[Granic] And mutual recognition, of course.

[Rakic] Are we setting any conditions for this mutual recognition?

[Granic] We are suggesting a package which would include mutual recognition on the one hand, and the peaceful reintegration of the UNPA into Croatia'a legal system on the other.

[Rakic] The talks in Topuska are to precede the meeting with Jovanovic. At the same time the situation in

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Bosnia-Herzegovina is becoming complicated. What will the impact of this be on the talks?

[Granic] As far as the talks in Topusko are concerned, we expect a whole range of issues to be finally resolved, or at least almost resolved. This means communications, the oil pipeline, power transmission lines, water supplies. As far as Bosnia-Herzegovina goes, our position is clear: firm support for the Washington agreement, especially the implementation of the federation, and, on the other hand, support for the Contact Group's plan.

[Rakic] The European Union's [EU] foreign ministers are to meet tomorrow. What could be expected from their meeting, in connection with the development of the crisis in this region and a possible solution?

[Granic] The meeting on Monday could be expected to discuss the preliminary report submitted by the EU group which had visited Croatia; they could also be expected to discuss Croatia's admission to the PHARE program [Reconstruction Aid for Poland and Hungary], that is, the signing of an agreement on trade and cooperation. We have received certain preliminary reports to this effect.

[Rakic] Speaking of future relations between Croatia and the EU, how important is the appointment of Hans van den Broek as the person in charge of the EU's relations with central and east Europe?

[Granic] This is a very positive development, for several reasons. The first is that Mr. Hans van den Broek knows the situation very well. We have frequent contacts with him, and he and Minister Kinkel were the most vocal members of the group in their advocacy of immediately sending a EU commission to Croatia and drawing up a preliminary report so that the admission of the Republic of Croatia to the PHARE program could be discussed.

[Rakic] Thank you very much. [end recording]

## Granic Protests UNPROFOR Conduct in UNPA

*LD2810153394 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 28 Oct 94*

[FBIS Translated Text] Croatian Foreign Minister Mate Granic sent a letter yesterday to UN Secretary General Butrus-Ghali in connection with a recent report on the investigation into illegal activities by the Russian battalion in UN Protected Area [UNPA] East.

In his letter, Granic says it is inexcusable that he personally, as well as the Croatian Government and general public, should learn about the investigation and the report from the media. He goes on to say that the report itself, or parts of it which reached the press, were sufficient proof of the truth of numerous articles and complaints over recent months by numerous representatives of the Croatian Government and local authorities, especially around the UNPA East.

The Croatian foreign minister stresses that the report justifies demands by the Croatian association for displaced persons which asked the UN Protection Forces [UNPROFOR] to change its practice and immediately stop smuggling goods, especially oil, in the UNPA. Granic says that the Croatian authorities have never received from UNPROFOR a satisfactory and speedy reply to their verbal or written objections, adding that such a reply would have certainly prevented the exacerbation of relations between UNPROFOR and the Croatian authorities last summer.

Granic adds that the report raises a number of other alarming issues regarding the activities of UNPROFOR's Russian battalion in UNPA East, such as the sale of oil on the black market, association with various criminals like Arkan, and the running of brothels and prostitution.

Granic wishes to remind the UN secretary general that on several occasions top Croatian state officials drew his attention or the attention of other senior UN officials to ethnic cleansing in the UNPA, which has continued before the very eyes of UNPROFOR. Granic concludes with regret that UNPROFOR is not capable of maintaining law and order in some areas, does not observe the valid UN Security Council resolutions and regime of sanctions imposed by the UN Security Council, merely acting as observers while ethnic cleansing goes on in the areas in which UNPROFOR should be reestablishing the prewar ethnic situation, thus helping the normalization of life and the return of the displaced persons.

Granic stresses that the worst situation is in UNPA East, which is particularly sensitive from both the military and political point of view.

Granic concludes his letter with these words: On behalf of my government, I kindly ask you to ensure that the appropriate UNPROFOR officials in Croatia submit to us a report on the investigation as a matter of urgency and inform us of the measures already taken regarding not only the articles in THE WASHINGTON TIMES but also complaints by various representatives of the Croatian authorities.

Granic also asks that appropriate departments within the United Nations, in agreement with the Croatian authorities wherever necessary, reexamine UNPROFOR's activities in the light of the report and the articles in THE WASHINGTON TIMES.

## UNPROFOR 'Collaborating' With Izetbegovic

*LD2910183394 Sarajevo Radio Republike Srpske Program for Abroad in Serbo-Croatian 1630 GMT 29 Oct 94*

[FBIS Translated Text] The fact that UNPROFOR [UN Protection Forces] is incessantly collaborating with Izetbegovic's forces has been corroborated recently in Kordun. Members of the Serb army of Krajina stopped a convoy of UNPROFOR's French battalion at the

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Majerac crossing point on the border between Serb Krajina and the former autonomous province of western Bosnia. The convoy had already aroused the suspicion of the Serb police after it crossed the Croatian-Krajina border at Moscenica near Petrinja.

During the 30-km drive accross Krajina, members of the French battalion were spotted taking photographs of the area. The convoy was stopped at Majerac. Its documents showed that the convoy left Zagreb's Pleso Airport for Split, but did not take the route via Rijeka—as is usually the case—or via Karlovac and the Turanj crossing point, where permission from Krajina is necessary.

The attempt to cross the border at Moscenica was prevented by Serb police after they realized that it was not going to Split but to Velika Kladusa and the 5th Corps of the so-called Bosnia-Herzegovina Army.

A detailed inspection revealed that, in addition to food and drinks, the convoy was transporting spare parts for helicopters. Also questionable was the validity of the double sets of documents, with and without Croatian Government stamps. None of the documents showed that passage had been approved by the government of the republic of Serb Krajina. Members of the Blue Helmets tried to justify all this by claiming that they had missed the right road, although it was clearly evident that the cargo was intended for the 5th Corps. After several hours of negotiations the UN convoy was ordered to return to Croatia.

### Susak, France's Leotard Discuss UNPROFOR

*LD2810163094 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 28 Oct 94*

[FBIS Translated Text] French Defense Minister Francois Leotard visited Zagreb today. The distinguished guest was welcomed at Zagreb airport by Croatian Defense Minister Gojko Susak. Their talks were also attended by Deputy Defense Minister Josip Juras, General Janko Bobetko, chief of the General Staff of the Croatian Army Corps, French Ambassador to Croatia Georges-Marie Chenu, Military Attache Colonel (Ledit) and [name indistinct], Minister Leotard's media adviser.

Following their talks the ministers spoke to reporters. Vera Tomsak was among them.

[Begin recording] [Leotard, in French with superimposed Serbo-Croatian translation] I wanted to stop off here in Zagreb so I could meet with Minister Susak. We talked about problems affecting both sides. On the one hand, there is the question of Croatia's occupied areas, and on the other, UNPROFOR's possible withdrawal from Bosnia-Herzegovina and Croatia if the arms embargo is lifted. I am now going to meet with General de Lapresle. It is he who has to decide about security and make decisions relevant to his forces in Croatia.

Yesterday, I met with General Rose in Sarajevo. I am leaving Zagreb for Italy, where I am going to talk with NATO representatives about possible air force operations, which must primarily guarantee security for UNPROFOR both in Bosnia-Herzegovina and Croatia.

[Susak] I would only like to add that we discussed bilateral relations. A delegation of our Defense Ministry will visit the French Defense Ministry. I believe we will be able to maintain a level of relations that will be due to these few meetings we had. We are particularly interested in the structure of the French Defense Ministry and its way of rehabilitating the wounded, as it has a great deal of experience in this area. We also talked about the possibility of training Croatian officers in France. [end recording]

### Croatia Preparing Agreement With UNPROFOR

*LD2910105294 Zagreb Radio Croatia Network in Serbo-Croatian 1000 GMT 29 Oct 94*

[FBIS Translated Text] A public statement we received this morning from the president's office says that a group of experts held a meeting yesterday to discuss the issue of signing an agreement on the status of the UN forces in the Republic of Croatia. The meeting was chaired by Hrvoje Sarinic, president of the state commission for relations with UNPROFOR [UN Protection Forces].

Since the arrival of UNPROFOR in the Republic of Croatia in April 1992, on the basis of UN Security Council Resolutions 743 and 749, the issue of UNPROFOR's status, its obligations, and rights were not regulated by a formal document, but the principles of the standard agreement for all similar UN operations in the world have been applied. Because there was no written agreement, on many occasions there were different interpretations of UNPROFOR's position, obligations, and rights in the Republic of Croatia.

To avoid any possible disagreements in the future, the Security Council, the UN secretary general, and the Croatian Government have decided to launch negotiations to draw up an agreement in line with the standard agreement applied to similar UN operations in the world, taking into consideration all specific circumstances in Croatia.

### Police Assume Control of Lipik Communications

*LD2810205894 Belgrade TANJUG in English 2006 GMT 28 Oct 94*

[FBIS Transcribed Text] Okucani, Oct. 28 (TANJUG)—The United Nations Protection Forces [UNPROFOR] and the Croatian Government have agreed that Croatian police should control a suburb section of the town of Lipik.

The area, which is part of the United Nations protected area sector west, had been previously controlled jointly with the police of the republic of Serb Krajina.

UNPROFOR press office said on Friday that Croatian police, armed with handguns, would be patrolling the area under UNPROFOR's control.

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The Croatian police has thus gained access to the main line of communication linking the Serb-controlled part of the municipality of Pakrac and the Krajina town of Okucani.

UNPROFOR said the situation resulted from an undefined line of separation between the two sides in that part of western Slavonia. UNPROFOR praised the Serb side and said it had demonstrated a high degree of tolerance and patience in the search of a peaceful solution for that part of the territory, although it had proved detrimental to the Serbs.

On August 16, Croatia used the withdrawal of UNPROFOR Canadian troops around Lipik to move forward its checkpoint instead of withdrawing it deeper into its territory, as specified under the ceasefire agreement signed with Krajina last April.

The UNPROFOR command on Oct. 3 withdrew its Jordanian troops from Lipik's suburbs after Croatian police threatened to open fire.

Croatian police then occupied the positions and advanced 150 meters into the Krajina territory.

The republic of Serb Krajina was proclaimed in 1991 in Serb ethnic and historical territories after Croatia's unilateral secession from the former Yugoslav Federation and the removal of Serb national rights from the Croatian Constitution.

### Bobetko Addresses Class of General Staff School

*95BA0012B Zagreb VJESNIK in Serbo-Croatian 7 Oct 94 p 2*

[Article by Zeljko Buksa: "The Croatian Army's Willingness Facilitates the Negotiations"]

[Text] *"We have already taken a big step forward in creating the HV [Croatian Army] and improving its commanders, but the job is not yet finished," said Janko Bobetko, chief of the Croatian Army's General Staff.*

Zagreb—"We all expect that everything will be resolved peacefully, but we have to prepare as much as possible for fulfilling our national task, because Croatia is still at war. It is difficult to say when we will receive that task, but then we have to fulfill it completely and recover our temporarily occupied territories. Even the negotiations are conducted differently when everyone sees that the HV is ready to fulfill all tasks, because then no one can blackmail us," emphasized Corps General Janko Bobetko, chief of the HV General Staff, speaking at the Croatian Military Academy on Thursday on the occasion of the beginning of the third class at the General Staff Command School.

All of the people entering that school, as noted at the ceremony, are commanders of HV units with extensive combat experience, who will now build upon the practice and experiences accumulated in war with extremely necessary theoretical knowledge. Most of them, after completing their one-year training, will assume various responsible positions such as chiefs of staff of the operational zones or brigade commanders.

"We had to give up a considerable number of casualties in the Homeland War, because we did not know some things that are necessary in wartime. That is why that must no longer happen. We have already taken a big step in creating the HV and improving its commanders, but the job is not yet finished," said the chief of the General Staff, commenting that proven fighters from the Homeland War were already in 80 percent of all positions in the HV.

Explaining what all HV commanders had to be like, General Bobetko said that "Most of them would be soldiers who would go into battle if necessary," but pointed out that there were soldiers in those units who were themselves requesting that they be removed from command duties, because they were spoiling the HV. He also added that the moral aspect of commanders was very important, "and so, since there are negative examples, we will also devote exceptional attention to that." According to the general, no one has a moral right to command an army unless he tours the front lines at least once every 14 days.

Speaking about Minister Susak's talks with representatives of the U.S. Defense Department, General Bobetko commented that the recently signed agreement with the U.S. Government provided for its technical assistance to the HV, and especially to Croatian military academies. "We will therefore, within two months, prepare a cooperation plan that will," he said, "begin to be implemented as early as the beginning of next year."

The chief of the General Staff especially emphasized to those entering the General Staff Command School that the United States was willing to accept immediately our candidates for training at its highest military schools, and so the best people in this class would have an opportunity to leave soon for one of the U.S. military academies, but also those of other countries that want to help us.

In conclusion, General Bobetko warned the cadets once again that the Croatian people had to be proud of the HV, in which their role would be extremely important, and that the Croatian people should not be, as in some cases, angry at the behavior of some of their members outside the barracks.

### Seks Discusses Strengthening Role of Assembly

*95BA0015A Split FERAL TRIBUNE in Serbo-Croatian 10 Oct 94 p 6*

[Interview with Vladimir Seks, vice president of the Croatian Assembly, by Gordana Simonovic; place and date not given: "Subtle Discipline"]

[FBIS Translated Text] *In one of his inaugural statements, Vladimir Seks, newly elected vice president of the*

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*Assembly, said among other things that his return to parliament was motivated by a desire to strengthen the positions of the HDZ [Croatian Democratic Union] Caucus and thereby the Assembly as well. We asked him: In what way?*

[Seks] The caucus of the HDZ, as the incumbent party, has to function with irreproachable professional competence, and has to draft all legislative bills with great care in both their political and legal aspects. This signifies both praise, but also censure, that is, a critical distance with respect to the government's bills. After all, the HDZ is entirely responsible for them either as the Assembly or as the government. At the same time, my coming means that there must be a close relationship between the party's Presidium and the government. It is also the party's wish to inaugurate a new style of operation in that HDZ deputies would be thoroughly prepared for the debate, especially through briefings of those who are competent in a particular field. And all of this should help the Assembly to take on the role given it under the Constitution. This does not represent any distance with respect to the president of the republic or the government, but a higher standard of work within constitutional powers.

[Simonovic] You seem to be renouncing party discipline, which previously you advocated as an operating principle of modern political parties.

[Seks] I am not renouncing it. No party in the world renounces party discipline, and neither does the HDZ. The deputies have to debate certain issues and then arrive at unity. When I say this, I am not referring only to the HDZ, but to any party, because no serious party can function without it. That is, then it is not a party, but a collection of individuals who have differing views. However, even on this issue there is a certain subtlety, because in the debate of a number of various topics strategic points of departure have to be established for a joint approach. And here no party can put up with dispersed views. The HDZ will insist on this, as it has in the past, but this does not mean a bloodthirsty assault of the government's bills, but an argued reference to the passage or the entire text of the law. This entire problem area also has a third dimension; that is, of simply leaving the vote on certain legislative solutions to the deputy's conscience. And that is the approach that was evident in the debate on distribution of revenues from resource rights among the zupanijas, opstinas, and cities.

**Nothing Bloodthirsty**

[Simonovic] In this recent session of the Assembly, it was in fact noticeable that the HDZ deputies spoke against the government and its bills more than the opposition did, while at the same time it has been constantly reiterated that this is an HDZ government.

[Seks] The government is HDZ, but this does not mean that all its bills conform to the program and tactics of the incumbent party. It is therefore quite natural and logical, and it will be so in the future, for the deputies to take a critical attitude toward certain government bills. I repeat, this does not mean a bloodthirsty assault on the government.

[Simonovic] What would a strengthening of the role of the Assembly mean vis-a-vis the president of the republic?

[Seks] Strengthening the role of the Assembly, that is, bringing it into line with the Constitution, at the same time strengthens the constitutional position of the president of the republic. For that matter, the strength of the president of the republic is derived from the strength of the Assembly. The president, after all, is at the same time the commander in chief of the executive branch, through the government, and if it has the support of the parliament, the president himself also has stronger support. This was clearly evident in the example of the resolution of the Assembly on the mandate of the UNPROFOR [UN Protection Forces], which strengthened Croatia's negotiating positions in connection with adoption of the Security Council resolution.

[Simonovic] Does this mean that the Assembly has not been performing its constitutional role up to now?

[Seks] It would be pretentious to say that it has not, but it has not been acting sufficiently in line with its constitutional powers as the supreme representative of the people and as the supreme body of the legislative branch. We shall see whether it will do so now.

**Agreements With the Opposition**

[Simonovic] Will the changes announced in the work of the Assembly also bring certain innovations with respect to the opposition?

[Seks] I will strive for more frequent meetings between the presidents of the HDZ caucuses and the presidents of the caucuses of all the parliamentary parties. I think that some constructive solutions can be found in just such meetings, but also that the causes of apparent disagreements can be eliminated when they arise in the chamber. It is in fact in this session that this new operating style has been inaugurated. After all, one interparty meeting of the heads of the caucuses has already yielded a result in having put debate of evictions on the agenda. I think that we will be able to conduct a preliminary debate of some of the problems in those meetings of the caucuses.

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### 2d Round Elections Open in Face of Boycott

*AU3010145994 Paris AFP in English 1223 GMT 30 Oct 94*

[By Jasmina Mironski]

[FBIS Transcribed Text] Skopje, Oct 30 (AFP)—Macedonians cast their ballots Sunday [30 October] in a second round of general elections overshadowed by opposition calls for a poll boycott.

Voting got underway at 7:00 a.m (0600 GMT) and was due to end with the closure of polls at 7:00 p.m. (1800 GMT). By midday, there were no reports of any incidents at polling stations monitored by some 750 international observers. In all 389 candidates, comprising 322 belonging to 36 parties and 67 independents, were standing in the second round. Voters in the former Yugoslav republic were called on to elect 110 deputies to the 120-member parliament. Only 10 candidates made it into the assembly in the October 16 first round.

The country's main opposition parties, the nationalist VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Movement for Macedonian National Unity] and the centrist Democratic Party (DP), called Friday for a boycott of the second round, charging that the earlier vote had been invalidated by "multiple irregularities," notably the absence of complete voter lists.

The parties organized a separate vote Sunday in Skopje and other large cities, calling on people opposed to the second round to cast a protest ballot demanding fresh elections.

Under Macedonian law, the opposition parties were not entitled to boycott Sunday's election, as the deadline for withdrawing candidates was two weeks before the first round. They are authorized to raise objections after the second round, when fresh balloting can be organized.

But the VMRO-DPMNE and the DP have both warned that if any of their candidates are elected on Sunday they will refuse to take their seats in parliament.

Macedonia's [The Former Yugoslav Republic of Macedonia] electoral commission had rejected as "without foundation" opposition calls for the first round to be annulled, but ordered a rerun of voting in 13 polling stations for unspecified reasons.

Outgoing head of state Kiro Gligorov won an absolute majority—52.4 percent—in the first round of presidential polls, also held October 16, against 14.4 percent attributed to the opposition candidate Ljubisa Georgievski.

Observers from the Conference on Security and Cooperation in Europe said after the first round that there were "a certain number of irregularities that could potentially be serious" and called on the government to immediately deal with these problems before the second round.

### 'Incidents' Mar Election

*LD3010182294 Belgrade TANJUG Domestic Service in Serbo-Croatian 1742 GMT 30 Oct 94*

[FBIS Translated Excerpt] Skopje, 30 Oct (TANJUG)—The second round of parliamentary elections in The Former Yugoslav Republic of Macedonia was marred this afternoon by incidents in Skopje, Ohrid, Prilep, Tetovo, and Debar, TANJUG has learned.

According to the State Electoral Commission, unknown persons were trying to prevent people from voting in the Skopje municipality of Kisela Voda, so the police had to intervene. Informed sources told TANJUG that several people were hurt in the village of Gornje Lisice in the same municipality. It has been officially stated that committees "attempted to obstruct the voting" at certain polling stations, but this was regulated later on [sentence as received].

The leadership of the strongest opposition party, the Internal Macedonian Revolutionary Organization-Democratic Party of Macedonian National Unity [VMRO-DPMNE], claims that the chairman of the party's committee for Ohrid, also a deputy in parliament, has been arrested. At present this information is impossible to verify from an independent source. [passage omitted]

Democratic Party sources have disclosed that by 1600 some 25,000 participants in the opposition's boycott turned up to cast a protest vote in Skopje. [passage omitted]

### Opposition Stages Parallel Vote

*AU3010210694 Paris AFP in English 2029 GMT 30 Oct 94*

[By Jasmina Mironski]

[FBIS Transcribed Excerpt] Skopje, Oct 30 (AFP)—Macedonians cast their ballots Sunday [30 October] in a second round of parliamentary elections clouded but not disrupted by opposition calls for a boycott and a protest "parallel" vote. [passage omitted]

However the poll proceeded calmly, electoral commission official Simeon Nikodievski said, citing only "a few incidents."

In an early estimate of turnout, the electoral commission said that 26.33 percent of the more than one million registered voters had cast their ballots by 2:00 p.m. (1300 GMT). "A certain number" of persons who did not appear on the electoral register were allowed to vote on presentation of identity papers proving their Macedonian citizenship, the commission added.

Polling stations monitored by some 750 international observers opened at 7:00 a.m. and closed at 7:00 p.m.

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Well after the close of polls hundreds of people were still heading for the "parallel" ballot boxes set up in Skopje's main square.

Sources close to the DP [Democratic Party] said around 25,000 supporters had taken part in the protest vote. [passage omitted]

Despite the protest, the atmosphere in central Skopje was relaxed. Opposition leaders were present as their supporters chanted slogans such as "Macedonia is ours" and "Death to communism." Some people lit candles in the streets around Skopje to signify, they said, "the burial of democracy" in Macedonia.

VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Movement for Macedonian National Unity] leader Lupco Georgievski, who called for a peaceful campaign of "civil resistance" against the government, said he was "very satisfied" with the support won by the opposition.

The independent television station A1 showed images of police arresting five youths wearing red berets, the insignia of the VMRO-DPMNE, who had been preventing voters from entering a polling station in a Skopje suburb. Reporters on the spot said police used truncheons but that calm was restored.

Deputy Interior Minister Alekso Donevski said police arrested three VMRO-DPMNE supporters who were organising a vote in front of an official polling station, and that one of the three was found to have been carrying a firearm. [passage omitted]

### Election Turnout 35 Percent

*LD3010212794 Skopje Radio Macedonia Network in Macedonian 2045 GMT 30 Oct 94*

[FBIS Translated Text] Our colleague Marko Vukovski reports from the parliament of the Republic of Macedonia [The Former Yugoslav Republic of Macedonia] where a news conference given by the state electoral commision has just ended.

[Vukovski] A recap of the most important data presented by the State Electoral Commission at today's news conference: The electoral lists bear the names of 1,062,933 citizens of whom 373,933 turned out at the polls, or 35.18 percent. This data has been obtained from 1,764 polling stations.

This would be all from today's third news conference by the State Electoral Commission. The final results from the 101 electoral units can be expected tomorrow. The State Electoral Commission has not yet announced when tomorrow's news conference will be held.

### Coalition Gets 'About 60' Seats

*LD3110092294 Belgrade TANJUG Domestic Service in Serbo-Croatian 0158 GMT 31 Oct 94*

[FBIS Translated Excerpt] Skopje, 31 Oct (TANJUG)—According to unofficial party figures, the ruling Macedonian tripartite coalition has already secured about 60 parliamentary seats in the second round of the parliamentary elections in FYROM [The Former Yugoslav Republic of Macedonia], the Skopje-based private A-1 television network reported last night. [passage omitted]

### NDP Leader: Albanians' Patience Coming to 'End'

*AU2810212694 Skopje NOVA MAKEDONIJA in Macedonian 28 Oct 94 p 4*

[I.S.-signed report: "The Albanians Are Not Tenants in Macedonia"]

[FBIS Translated Text] Tetovo, 27 Oct—This afternoon an election rally was held by the NDP [People's Democratic Party] in Tetovo that was addressed by Party President Ilijaz Halimi and secretary Bedredin Ibrahimi. Emphasizing the slogan that the NDP is a "major force that will change the situation," Halimi underlined that the aim of this Tetovo rally was to put a stop to police violence, pressure, and discrimination that, according to him, are constantly being used against the Albanians.

"Let us say stop to the exploitation of our wealth, our blood, sweat, and toil, to plunder, bribery, and corruption, to backwardness, illiteracy, and information darkness. The Albanians' patience is coming to an end," Halili said. "We shall say 'wait' to all those who still want to transform us into tenants or just passing visitors in the house that is called Macedonia [The Former Yugoslav Republic of Macedonia]. Those who think that they will expel us from our centuries-long ancestral homeland so as to eradicate the old oak trees that symbolize our centuries-long existence in this region are wrong," Ilijaz Halimi said. He also added that in the first election round his party's candidates secured their places in the second round, and he said that they considered this as a success.

### PDP Promises To Act 'Within' System

*AU2810215994 Skopje NOVA MAKEDONIJA in Macedonian 28 Oct 94 p 4*

[Report on PDP election rally by I. S. and P. T.: "Activities Within the System"]

[FBIS Translated Text] Tetovo, Debar, 27 Oct—The PDP [Party for Democratic Prosperity] held an election rally in Tetovo addressed by party leader Abdurahman Aliti. Among other things, he expressed his gratitude to those who voted for the PDP. "I call on you," he said, "to vote with your heads and with dignity on Sunday [30 October] as you did in the first round, because the Albanian people of Macedonia have demonstrated their political maturity and proved their unity. Those who attempted to divide the PDP and the Albanian people will be defeated and disappointed at the Sunday elections. In the first round 87,000 citizens voted for the PDP, 27,000 for the NDP [Party for People's Democracy], and 30,000 for independent candidates. These numbers show who the people voted for. At this time,"

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Abdurahman Aliti stressed, "we must find out what are deeds and what are mere words, and that is why I call on the people to measure the situation according to those deeds. Some political groupings constantly attack the PDP and never the extremist national Macedonian parties. We say that we will always act within the system, never outside of it. However, if we realize that this move does not yield results, we will change course, but by employing a wise policy, not one of inconsistency. Our party is a modern European party of tolerance, a party of Albanian goodwill, one that stands also for coexistence and cooperation with neighbors. We do not intend to build a democracy with demagogy or by appointing gods, but we will build democracy ourselves through action and deeds, as well as mutual respect," Aliti emphasized.

The PDP will participate in the second round with 31 candidates in first place after the first round.

Tonight a PDP rally was held in the center of Debar attended by Naser Ziberi, member of the Central Presidency. Parliamentary candidate Gazmend Ajdaraga addressed the rally, reiterating his future goals and saying he would do his best to accomplish them. Candidates of the NDP and of Taci's faction also addressed the rally, as well as the Democratic Party of Turks candidate, Djeljo Asanovski, who in spite of the fact that he is going to the second round, appealed to the people to vote for the PDP. On the stage were the Macedonian, Albanian, and Turkish flags, something not observed at previous rallies. All the speakers spoke in Albanian except Ajanovski, who spoke in Macedonian.

### Main Opposition Predicts Early Spring Elections

*LD3010153694 Belgrade TANJUG Domestic Service in Serbo-Croatian 1352 GMT 30 Oct 94*

[FBIS Translated Excerpt] Skopje, 30 Oct (TANJUG)—In Skopje today Ljupco Georgievski, leader of Macedonia's largest opposition party, announced a campaign of civil resistance to the authorities, estimating that early [vanredni] parliamentary and presidential elections in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] could be held next spring.

A second round of voting for 110 of 120 seats in the parliament started in FYROM this morning. The opposition is boycotting the elections.

Georgievski, leader of the Internal Macedonian Revolutionary Organization-Democratic Movement for Macedonian National Unity [VMRO-DPMNE], told a group of foreign journalists that "a struggle for democracy has started in the FYROM today," and that he "believes that the opposition campaign will force the authorities to allow early fair and democratic elections next spring." [passage omitted]

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### Peterle: 'Wrong Game' Played With Italy

*AU2910174894 Ljubljana Radio Slovenia Network in Slovene 2100 GMT 28 Oct 94*

[Interview with outgoing Foreign Minister Lojze Peterle by Nadja Pengov, after the extraordinary State Chamber session, in Ljubljana on 28 October—recorded]

[FBIS Translated Text] [Peterle] I have been highly principled, however, also highly realistic in these negotiations [with Italy]. In this sense I am glad that the prime minister stated clearly that more could not have been achieved. He also said so today, namely, that we had made some progress in Rome yesterday. Of course, well-informed individuals and the media reported somewhat differently yesterday. However, this is a side issue.

I regret very much that the situation has come to a halt like this. I believe that we have played a wrong game. We cannot resolve our relations with Italy on the premises of a Yugoslav Army military drill Bedem '91 [Yugoslav Peoples' Army military action against Slovenia and Croatia in 1991 and 1992].

[Pengov] What does this mean for the government coalition?

[Peterle] Our party, which is recognized throughout Europe by its program, its activity, and its successes, too, is a party that actively promotes the European identity of the Slovene political intentions and interests. Faced with what has been going on now, we realized that we failed to win the support for this serious determination for the European option, of whose limitations we are naturally well aware. We must now ask ourselves what is happening in the government if the prime minister speaks so openly against the foreign minister.

I will repeat once again that we have too many foreign ministers in Slovenia. If a minister cannot do his duty as he should then it is really better everything is concentrated in one person.

[Pengov] Lojze Peterle also assured that he will propose to the council of the Slovene Christian Democrats to decide whether the party will continue participating in the government or not. Namely, today's events, as he said, were not up to the European standards.

### Government Rejects Draft Agreement With Italy

*LD2910175094 Belgrade TANJUG Domestic Service in Serbo-Croatian 1653 GMT 29 Oct 94*

[FBIS Translated Excerpt] Ljubljana, 29 Oct (TANJUG)—The Slovene Government has rejected the draft agreement with Italy, which was to be a basis for resolving increasingly acute disagreements between Ljubljana and Rome.

A report was today released in Ljubljana saying that the Slovene Government "is rejecting Italy's proposal for the return of property to the Italians expelled from Istria during World War II, as well as any other guidelines laid out in the agreement."

Prime Minister Janez Drnovsek's office almost unanimously rejected the latest draft international agreement, although the same draft had been approved by the Slovene and Italian foreign ministers at a meeting in Rome last week.

The Slovene Government's stand was seen in Italy as "incomprehensible and an obstacle to the normalization of mutual relations." As a consequence, Italy will have to block, once again, Slovenia's rapprochement to the EU, which is the topic of discussion at the EU ministerial meeting in Luxembourg on Monday, it was announced. [passage omitted]

### Drnovsek Sees Possibility of Italian Veto on EU

*AU2910174694 Ljubljana Radio Slovenia Network in Slovene 2100 GMT 28 Oct 94*

[Interview with Prime Minister Drnovsek by Bojan Veselinovic, after the extraordinary State Chamber session, in Ljubljana on 28 October—recorded]

[FBIS Translated Text] [Veselinovic] Prime Minister Janez Drnovsek assessed today's extraordinary session of the parliament, which was closed to the public, as follows:

[Drnovsek] Debate at the session, which was closed to the public, was better than at the beginning, when the deputies were still discussing procedural matters, namely, whether the session should be closed or not. It primarily involved presentation of the government views. I presented the entire situation in relations with Italy to the parliament. Ministers Lojze Peterle, Lojze Janko, and Meta Zupancic did the same. I believe that the parliament is now thoroughly and properly informed about the whole situation. However, the parliament did not make any special conclusions in connection with this today.

[Veselinovic] Can today's parliament session be viewed as a step toward Slovenia winning a mandate to commence negotiations on EU associate membership in Luxembourg on 31 October?

[Drnovsek] Well, at the moment this depends more on Italy. I believe that the initiative is now on their side. Our parliament was thoroughly briefed about everything that has been happening in this sphere so far, about all of Slovenia's diplomatic activities concerning Italy, the European Union, and other countries.

In a way, this is a transitional stage. I believe that we will proceed further from here. At the moment I, of course, cannot prejudice the outcome of the 31 October session in Luxembourg. However, I would not be surprised at all if Italy would fail to give its consent on 31 October.

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[Veselinovic] Another brief question referring to the internal political situation. Could today's pronounced discord between yourself and Lojze Peterle—regardless of the fact that as of 31 October he will no longer be foreign minister, I mean, you are the leaders of two parliamentary parties—signal a crack in the coalition?

[Drnovsek] Well, I hope that everything will calm down. All the time I have tried to keep the entire foreign policy and all negotiations outside the internal political framework, so that on the outside we would act with a united front and as a state exclusively advocating the national interests. Some people evidently find it hard to refrain from this and from other actions, too. However, I hope that we will bridge these problems and that this will not result in any major friction. I will definitely try to secure a consistent, sound, and unified Slovene foreign policy in the future.

### Decision on Aquileia Document Postponed

*AU2910174494 Ljubljana Radio Slovenia Network in Slovene 2100 GMT 28 Oct 94*

["Statement" issued by State Chamber after extraordinary session in Ljubljana on 28 October]

[FBIS Translated Text] The State Chamber at today's session acquainted itself with a government report about the negotiations with Italy on some open issues in the relations between the countries. This involves issues that still pose the main obstacle to Italy giving its consent for a mandate on negotiations about EU associate membership for Slovenia.

Prime Minister Janez Drnovsek and Ministers Lojze Peterle, Lojze Janko, and [Justice Minister] Meta Zupancic reported to the deputies about the outcome of negotiations on the government's views about the Aquileia document and especially about possible ways of resolving open issues that concern the right to purchase real estate on the territory of the Republic of Slovenia. This involves the real estate of the so-called option takers [optant].

The State Chamber decided to take a stance toward these issues upon completion of a general debate in the Commission for International Relations and a debate at the State Chamber session. On that occasion the State Chamber will pass a special resolution on Slovene-Italian relations.

### Chamber Refuses To Omit Border Hamlets From Law

*AU2910205694 Ljubljana Radio Slovenia Network in Slovene 2100 GMT 28 Oct 94*

[FBIS Translated Text] Today's extraordinary session of the State Chamber was actually called because of amendments to the Law on Formation of Municipalities and Their Borders. Namely, the government proposed corrections of certain errors that have occurred due to hastiness in the passing of the law. It has been overlooked that individual villages were included in two municipalities or were not listed at all. The government also proposed omission of four hamlets on the Slovene-Croatian border from the law, as villages and not hamlets should be included in the law.

The State Chamber rejected this government proposal. Buzini, Skodelin, Skrile, and Mlini thus remain listed in the Piran municipality. However, the deputies decided that in the case of the first three hamlets the provisions of the law will not be implemented until the reaching of an agreement on the Slovene-Croatian border; therefore, no local elections will be organized there.

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## Federal

### Jovanovic Comments on Serbian-Croatian Relations

*LD2910134194 Belgrade TANJUG Domestic Service in Serbo-Croatian 1204 GMT 29 Oct 94*

[FBIS Translated Excerpt] Belgrade, 29 Oct (TANJUG)—"We expect the next meeting in Zagreb to be the start of renewed dialogue, which should very soon be crowned with first concrete results in the process of the normalization of [Serbian-Croatian] relations," FRY [Federal Republic of Yugoslavia] Foreign Minister Vladislav Jovanovic said today.

In his interview for Politika Radio, Jovanovic commented on the latest statement by Lord Owen, co-chairman of the Conference on Former Yugoslavia, who announced a meeting between the Yugoslav and Croatian foreign ministers on 4 November in Zagreb.

"It is the consequence of the contacts and talks we had recently with the cochairmen of the conference and with the Croatian side. We came to the conclusion that in the interest of peace both sides would benefit from renewed contacts and talks on the topic of the consolidation of the process of the normalization of relations," Jovanovic said. [passage omitted]

When asked what he expected from the meeting between the Croatian and Krajina delegations in Topusko, to be held the day before on 3 November, Jovanovic said:

"It is a parallel process of normalization of relations between Knin and Zagreb, which is in accordance with the Vance plan and the so-called three-stage process," he said.

"A year ago an agreement was reached between us and Croatia and between Croatia and Knin, and we have now entered the second stage, the first one having been completed already," Jovanovic added. [passage omitted]

Commenting on the stand that the settlement of Serbian-Croatian relations is the key to the settlement of the crisis in former Yugoslavia and that these relations would considerably effect the settlement of the Bosnian crisis, Jovanovic said:

"The Serbian-Croatian relations have always been the backbone of all relations in the previous Yugoslavia, and they still remain so to a large extent." [passage omitted]

"The best, and possibly the most certain way to have successful talks would be if the Croatian side were to reexamine its own decision of a few years ago and give back to the Serbian people their constitution, which acknowledges them as a politically constructive nation [drzavotvorni]." [passage omitted]

### FRY To Accept Only Citizens With Papers

*LD2810210394 Belgrade TANJUG in English 1924 GMT 28 Oct 94*

["Pool" item]

[FBIS Transcribed Text] Belgrade, 28 Oct (TANJUG)—Yugoslav Government Friday said it would permit return only to those asylum-seekers who are citizens of the Federal Republic of Yugoslavia and whose papers were in order.

A Yugoslav Information Ministry statement said the government examined reports that several Western European countries intended to effect massive expulsions of false asylum-seekers, following suspension of air and maritime traffic sanctions against Yugoslavia.

The Government will permit return of only those Yugoslav citizens whose papers were in order under bilateral agreements with the countries in which they now reside.

The statement said the competent state organs would "deny any entry attempt into Yugoslavia to those who have false, forged or stolen passports of the Socialist Federal Republic of Yugoslavia, and who are most numerous."

The U.N. partially suspended sanctions against Yugoslavia on Oct. 5 in sports, traffic and culture.

Several months ago Germany tried via Bulgaria and Romania to establish charter flights for returning false asylum-seekers, mostly ethnic Albanians from Serbia's southern province of Kosovo and Metohija, whose papers, as a rule, were not in order.

### War Crimes Committee Adds Evidence to Report

*LD2810152894 Belgrade TANJUG in English 1256 GMT 28 Oct 94*

["Pool" item]

[FBIS Transcribed Text] Belgrade, Oct. 28 (TANJUG)—The Yugoslav committee for gathering data on war crimes committed in the former Yugoslavia has added more facts to its report on 160 cases of war crimes against Serbs.

Head of the committee Zoran Stojanovic said at a panel organized by TANJUG on Thursday there was evidence for each war crime referred to in the report either in the annex to the report or on the committee's files.

Stojanovic said the report also included a list of 150 camps in the former Yugoslav republics of Croatia and Bosnia-Herzegovina, in which Serbs were kept prisoners.

The report contains evidence on murders of civilians, murders of arrested people and POWs, inhuman treatment of civilians, arrested persons and POWs, murders and inhuman treatment of the ill and the wounded.

Stojanovic said the report also included evidence on ethnic cleansing, hostage taking and the setting-up of POW camps.

It also contains documentation on deliberate destruction of civilian objects, places of worship and Serb cultural monuments during Croatia's violent secession from the former Yugoslavia in 1991 and the civil war in Bosnia-Herzegovina which continues, he said.

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It is evident that there are attempts to designate one people (Serbs) alone as the main or sole culprit of all that has happened in the former Yugoslavia, he said.

Stojanovic said the proof for that was the precedent set by forming the "ad hoc" international war crimes tribunal for the former Yugoslavia in The Hague.

"A report by an independent commission of experts makes express references to Serbs' responsibility for war crimes, while crimes by Muslims or Croats are simply said not to have been committed deliberately," he said.

Recent trials of Serbs in some European countries, arrested on the strength of Muslims' denouncements, add to skepticism about the partiality of trials to be conducted by the tribunal, he said.

Stojanovic said the evidence against these arrested Serbs had fallen short of standard court procedures.

He denied that Yugoslavia did not want to cooperate with the international tribunal, but said the Yugoslav Government position was that such cooperation was not possible if it would jeopardize the country's sovereignty.

"Yugoslavia has included war crimes in its penal code, consistently respecting international conventions," he said. Yugoslavia does not object to international observers attending trials conducted by its courts, he said.

"During the recent visit of international prosecutor Richard Goldstone, Yugoslav officials said Yugoslavia could not allow foreigners to investigate (into war crimes) or to extradite their citizens to foreign courts," he said.

Stojanovic said this was contrary to the Yugoslav Constitution and laws and regulations.

### Bank Measures Help Stabilize Money Issue

*AU2910213094 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 29 Oct 94*

[Interview with Ratko Banovic, FRY National Bank vice governor, by Svetlana Petkovic; place and date not given—recorded]

[FBIS Translated Text] [Banovic] Perhaps an assessment after seven days should be brief as the time for giving a thorough analysis is also short. We deliberately designed measures so that they would have a rapid effect in a short period of time.

First, a general assessment. The measures have been taken very seriously and responsibly by the banking system, companies, and others whom they concern.

Second, banks and companies alike reexamined their entire business policy and adjusted it to the measures passed.

Third, the overall demand for foreign currency—by physical and legal entities—has decreased very quickly. The banks and companies are now reexamining and adjusting all the earlier demands expressed in the demand for foreign currency and are reappearing on the foreign currency market.

[Petkovic] As earlier unrestricted imports have depleted our currency reserves considerably, can we continue to maintain that the dinar has a gold and foreign currency standard, as it has had since the beginning of implementation of the program of economic stabilization?

[Banovic] In the previous period of the program's realization we have encountered three types of money issue. The first was based on foreign currency reserves and issue of credits to the republican and the federal budgets on the basis of this. The second type were direct National Bank foreign currency transactions, such as exchange or purchase from citizens, banks, and legal entities. The third type which we introduced at the beginning of July was issue of credits on the basis of securities that had resulted from debtor-creditor relation. These are the three types of money issue that have been covered and that are for the time being kept at the level reached on 21 October.

Since 21 October, that is, since a week ago when the new measures were introduced, the scope of money issue has not increased by a single dinar.

## Serbia

### Court Commutes Seselj's Jail Sentence

*LD2810222994 Belgrade TANJUG in English 2205 GMT 28 Oct 94*

[FBIS Transcribed Text] Belgrade, Oct 28 (TANJUG)—The Belgrade District Court Friday removed the suspension on the eight-month jail term for Serbian opposition leader Vojislav Seselj on the prosecution's appeal. Seselj, who heads the Serbian Radical Party, was sentenced to eight months in prison, suspended for three years, by the first municipal court in Belgrade, and the sentence has now been commuted to three months effective immediately.

Seselj and four other members of the Radical Party received jail terms on Sept. 19 for their involvement in a May 18 incident in the Yugoslav Parliament. The incident occurred when the five tried bodily to prevent parliament security officers from removing from the conference hall a Radical Party deputy who had thrown water in the face of Chamber of Citizens (lower house) Speaker Radoman Bozovic.

First Municipal Court Acting President Dragoljub Jankovic Friday said the district court had commuted the suspended sentences also of the other four Radical Party m.p.s [members of parliament], acting on appeals by both the prosecution and defense.

Seselj is in prison, serving a one-month sentence he received on Sept. 29 for spitting at and insulting Radoman Bozovic in the latter's office on Sept. 27.

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### Serbs Face Trial for Killing Civilians

*LD2810143694 Belgrade TANJUG Domestic Service in Serbo-Croatian 1349 GMT 28 Oct 94*

[FBIS Translated Text] Beli Manastir, 28 Oct (TANJUG)—Charges have been brought against Dusan Boljevic (47), called "Legend" and "Rambo," a restaurant owner, and his wife Jagoda (45), a registrar at the registry office of the village of Bilje in Baranja, on a well-founded suspicion that they have committed war crimes against humanity and civilians.

Boljevic, the first defendant, who is a citizen of the Federal Republic of Yugoslavia (born in Belo Polje near Istok), is accused of killing 18 civilians from this village between 23 October and 16 December 1991 while he was a member of the Bilje territorial defense unit. According to the indictment, he killed Ivan Sajtos, Sandor Ordjan, Mijo Pecak, Josip Feher, Barbula Feher, Eduard Doric, and Marija Malobabic while the second defendant Jagoda kept watch at the site of the crime, using her Thompson sub-machine gun.

According to the indictment, he killed the other 11 victims, Katica Skvorc, Mihajlo Skvorc, Kristina Urbanovic, Ljudevit Urbanovic, Stjepan Geto, Katica Batki, Andrijas Batki, Marija Nemet, Franjo Nemet, Metod Bataric, and Mirko Ranogajac, on his own by using a machine-gun as usual.

As yet it is uncertain when the Boljevics will face trial since legislative organs have no access to Jagoda Boljevic. She was released from the military investigative prison in Belgrade in May 1992; she has not been seen since. A warrant issued on that occasion has yielded no result. The first defendant, Boljevic, is in Beli Manastir's district prison awaiting trial.

According to Dragan Dasic, district judge of the Beli Manastir Court, an effective judiciary procedure has been hampered by the lack of detailed evidence gathered in the investigation carried out by the military court in Belgrade. This is why the hearing will in fact be a "new investigation," Dasic says.

### Djindjic: 'Anyone of Importance' Being Wiretapped

*AU2810165694 Belgrade BORBA in Serbo-Croatian 28 Oct 94 p 1*

[BETA attributed report: "Anyone of Any Importance Is Being Wiretapped"]

[FBIS Translated Text] Belgrade—Zoran Djindjic, president of the Democratic Party [DS], stated in an interview for OSISANI JEZ that almost everyone of any importance are having their telephones tapped.

"There is hardly anyone of any importance in this country who is not being wiretapped," Djindjic told OSISANI JEZ. He also said that the "secret police have remained untouchable," and that "they now exclusively deal with internal enemies."

"I heard SPS [Socialist Party of Serbia] deputies in the assembly halls retelling telephone conversations of opposition politicians," Djindjic said and stressed that "this was unimaginable in a democratic country."

Responding to a remark that these were "serious allegations," Djindjic said: "I have been told on several occasions: You said this and that on the telephone and I am warning you not to speak so openly or you will have problems."

"This was well-intended advice by people who had knowledge of my telephone conversations," Djindjic stated in the latest issue of OSISANI JEZ.

## Kosovo

### Rugova Calls For International Protection

*AU3110114294 Pristina KOSOVA DAILY REPORT No 475 in English 28 Oct 94*

[FBIS Transcribed Text] President of the Republic of Kosova Dr. Ibrahim Rugova started his press conference denouncing the Serbian campaign of repression against the Albanians. He said scores of Albanian villages in the municipalities of Podujeva, Prizren, Kaganik, Mitrovica, Vitia, Suhareka, Prishtina, Vushtrri, and Lipjan have been targeted under "arms searches" charges. Albanian schooling in Ferizaj, Klina, Podujeva, and Mitrovica has been suppressed by the Serbian police, said President Rugova, adding that Serbia has continued to persecute political activists, especially LDK [Democratic League of Kosovo] ones. President Rugova made mention of the wounding by Serbian soldiers of an Albanian, Bajram Rrahmani from Dobel village of Vitia, who was shot at near the border with Macedonia. He said Serbian forces have been plundering Albanian-owned businesses but also ordinary Albanians. Moves for a re-colonization of Kosova have stepped up, said President Rugova, mentioning the Serbian regime's announcements of plans to erect settlements near Fushk Kosova and Klina, besides those which are already under construction in Velika Reka, Zvegan, and Junik. Kosova President called "alarming" the fact that over 600 newborns out of 4000 have died so far this year, as well as the upsurge of infectious diseases in Kosova. "We have been urging international organizations to do their utmost in assisting us with medicines and preventive means", said President Rugova. Speaking to reporters, Dr. Rugova demanded the cessation of political trials, and the release of all those convicted for political charges, the release of UNIKOMB [Party of National Unity] chairman Ukshin Hoti, as well as the Albanian teachers who have been imprisoned. President Rugova reiterated his call for placing Kosova under international protection and an international presence in Kosova. In this context, president of the Republic of Kosova hailed the initiative of the U.S. Congress to open a USIA office in Prishtina.

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"That center would promote cultural and information links", said Dr. Rugova, adding that its role could also be impartial information vis-a-vis the Albanian and Serbian side, respectively. President Rugova hailed also a discussion in the French National Assembly on former Yugoslavia, especially the statements of Rene Andre, who chairs a study group on Kosova. Kosova President said he hailed U.S. President Clinton's endeavors towards establishing peace in the Near East. "We would like to see similar initiatives in the Balkans soon", remarked Dr. Rugova. Speaking about the possible involvement of the United States and the international community in the settlement of the Kosova issue, Dr. Rugova said "every initiative to save Kosova is welcome" and expressed his hope that such an initiative would be taken soon. Asked to comment on the draft Constitution of the Republic of Albania, President Rugova of Kosova said it was in compliance with European standards and deemed the adoption through a popular referendum "a democratic method." President Rugova reiterated the Kosova leadership's position that there cannot be made a comparison ("parallelism") between Kosova and Knin region in Croatia.

### Rugova Urges Albanians To Approve Constitution

*AU3010150294 Tirana TVSH Television Network in Albanian 1635 GMT 28 Oct 94*

[Skender Durmishi telephone report from Prishtina]

[FBIS Translated Text] [Announcer] At today's news conference held in Prishtina, President of the Republic of Kosova Dr. Ibrahim Rugova highly praised President Berisha's initiative to approve the constitution through a referendum. It is the first time that a constitution of Albania speaks about the Albanians who live outside Albania's current borders, he said, and added that this is positive. Mr. Rugova appeals to all forces in Albania to contribute to the approval of the constitution. For more details on this news conference, here is a report by journalist Skender Durmishi:

[Durmishi] President of the Republic of Kosova Dr. Ibrahim Rugova devoted the majority of his news conference today to the grave situation in Kosova due to the systematic violence and repression by the Serbian police. Mr. Rugova acquainted the reporters with ample information and gave numerous details regarding multiple violent cases. He also outlined the consequences of this repression which, besides the pursuit of political and education activists and frequent raids for arms, is being manifested in the form of plundering firms and citizens in the street by stopping and maltreating them for no reason, and through the continuous tendency to realize the Serb colonization of Kosova. He pointed out that this situation has brought about a worsening in the health situation, and notified the journalists of the alarming news of the death of 600 babies out of 4,000 born in Prishtina clinics within this year.

President Rugova went on to say that this week, too, Kosova was in various ways the target of attention of the international public and institutions. In this context, he welcomed the initiative of the U.S. Congress to open an information center in Kosova and the debate at the French Assembly, which made an objective presentation of the situation in Kosova.

Mr. Rugova particularly welcomed the efforts and results of President Clinton for peace in the Middle East and expressed the hope that such forms be applied in the Balkan region, something which is being examined as a possibility, he said.

Regarding the draft constitution of Albania, which is expected to be approved on 6 November, President Rugova stressed that it is a document that has been compiled with very much care and it is a constitution that meets European standards. The referendum is undoubtedly the most efficient variant of a direct democratic declaration. He commented and particularly praised Article 8 of this constitution, which runs in accordance with integrating processes and provides interest and protection for all Albanians, i.e. of those outside the current official borders.

In general, the constitution is a positive document, Rugova said. I appeal to the political forces in Albania to commit themselves to approve it, he ended.

### DSS Leader Backs Serbian Resistance Movement

*AU2810182994 Belgrade BORBA in Serbo-Croatian 27 Oct 94 p 4*

[Report by S. Zelenbaba: "Kostunica Has Signed Petition From Kosovo"]

[FBIS Translated Excerpt] Belgrade—Vojislav Kostunica, president of the Democratic Party of Serbia [DSS], this morning met with the leading people of the Serbian Resistance Movement from Kosovo, Kosta Bulatovic, Momcilo Trajkovic, and academician Basar Arsic. We have supported their demands fully. The DSS will do its utmost to persuade thousands of people to sign the petition, which I signed here first, Kostunica said at a news conference.

"I do not doubt the sincerity of these people and their action," the DSS president said. "They do not have any direct links with Dobrica Cosic at present. They are acting autonomously, aware that nothing has been done in Kosovo over the past few years and that the situation has deteriorated."

Kostunica agreed with a journalist's remark that only a few years ago it was these same people who helped the current regime to establish itself. He also said that the situation had changed significantly and that it was normal that people would change their views, too. [passage omitted]

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